

CHAPTER I.—GENERAL ANALYSIS OF DATA

Establishments and sales.—There were 200,573 wholesale establishments in the continental United States in 1939. These establishments reported a volume of business during the year—hereinafter referred to as “sales” or “net sales”—amounting to \$55,265,640,000.

In 1935, the latest year covered by a similar census of wholesale trade, there were 176,756 establishments with sales for the year totaling \$42,802,913,000; thus there were 13.5 percent more establishments in 1939 than in 1935, with an increase in sales of 29.1 percent. Compared with 1929, when there were 168,820 establishments with sales of \$66,983,024,000, the number of places of business was up 18.8 percent but dollar sales were off 17.5 percent. It should be noted when comparing dollar figures for one census year with another that no adjustments are made for changes in price levels or for differences in the purchasing power of the dollar. Sales are in terms of dollar amounts for each year.

Employment and pay roll.—The 200,573 wholesale establishments in 1939 engaged the services of 1,695,646 persons, of whom 133,698 were active proprietors or firm members of unincorporated businesses and 1,561,948 were employees on a salary or wage basis. Total pay roll of these 1,561,948 employees on a salary or wage basis amounted to \$2,624,203,000, or an average of \$1,680 each.

In the 10-year period, 1929 to 1939, the total number of persons engaged by wholesale establishments increased from 1,601,266 to 1,695,646, or 5.9 percent. It is interesting to note that this increase is slightly less than the 7.2 percent gain in population during the decade 1930 to 1940.

The number of proprietors was somewhat larger in 1939 than in previous censuses due in part to the fact that operators of commission bulk stations in the petroleum business were included in this classification in the latest census but not for previous years. Subtracting the 17,486 proprietors and firm members of this type for 1939, a gain of 28.0 percent is noted over 1929, while as stated above, the corresponding increase in establishments was 18.8 percent. Thus the number of active proprietors shows a relative increase as compared with the number of establishments.

Average annual earnings per employee on a salary or wage basis decreased from \$1,961 in 1929 to \$1,604 in 1935, then rose again to \$1,680 in 1939.

Comparisons with 1935 are qualified by the fact that

employment and pay-roll data for 6,436 commission bulk stations in the petroleum trade were not included in that year. It is estimated that these 6,436 stations employed 17,164 persons with a total pay roll of \$27,221,000.

Operating expenses.—Total operating expenses as defined for census purposes include pay roll and other expenses incurred in running the business but not the cost of goods sold. Total expenses are not the same as gross margin as no allowances are made for net profit, compensation of active proprietors and firm members of unincorporated businesses, or interest and amortization on investments. Operating expenses thus defined amounted to \$5,518,456,000 in 1939, or 10.0 percent of sales. Expressed as a percentage of sales they rose from 9.0 in 1929 to 9.7 in 1935, and to 10.0 in 1939. Increases in total expenses were due in part to the rise in pay roll from 4.42 percent of sales in 1929 to 4.72 percent in 1935, and to 4.75 percent in 1939.

Stocks.—The cost value of goods on hand for sale at the end of 1939 amounted to \$3,872,385,000, or 7.0 percent of sales during the year. Inventories at the end of 1939 were slightly lower compared with sales than they were in either 1929 or 1935—7.0 percent for 1939 compared with 7.3 percent in 1935, and 7.5 percent in 1929, possibly indicating that wholesalers are now able to operate on a smaller inventory per dollar of sales.

TABLE A.—COMPARATIVE SUMMARY OF WHOLESALE TRADE: 1939, 1935, AND 1929

	1939	1935	1929	PERCENT CHANGE	
				1935 to 1939	1929 to 1939
Number of establishments.....	200,573	176,756	168,820	13.5	18.8
Sales.....	\$55,265,640,000	\$42,802,913,000	\$66,983,024,000	29.1	-17.5
Total expenses:					
Amount.....	\$5,518,456,000	\$4,163,480,000	\$6,025,537,000	32.5	-8.4
Percent of sales.....	10.0	9.7	9.0		
Number of proprietors.....	133,698	97,225	90,772	37.5	47.3
Number of employees.....	1,561,948	1,260,553	1,510,494	23.9	3.4
Pay roll:					
Amount.....	\$2,624,203,000	\$2,022,262,000	\$2,962,774,000	29.8	-11.4
Percent of sales.....	4.7	4.7	4.4		
Stocks on hand (end of year):					
Amount.....	\$3,872,385,000	\$3,106,000,000	\$5,051,975,000	24.6	-23.3
Percent of sales.....	7.0	7.3	7.5		

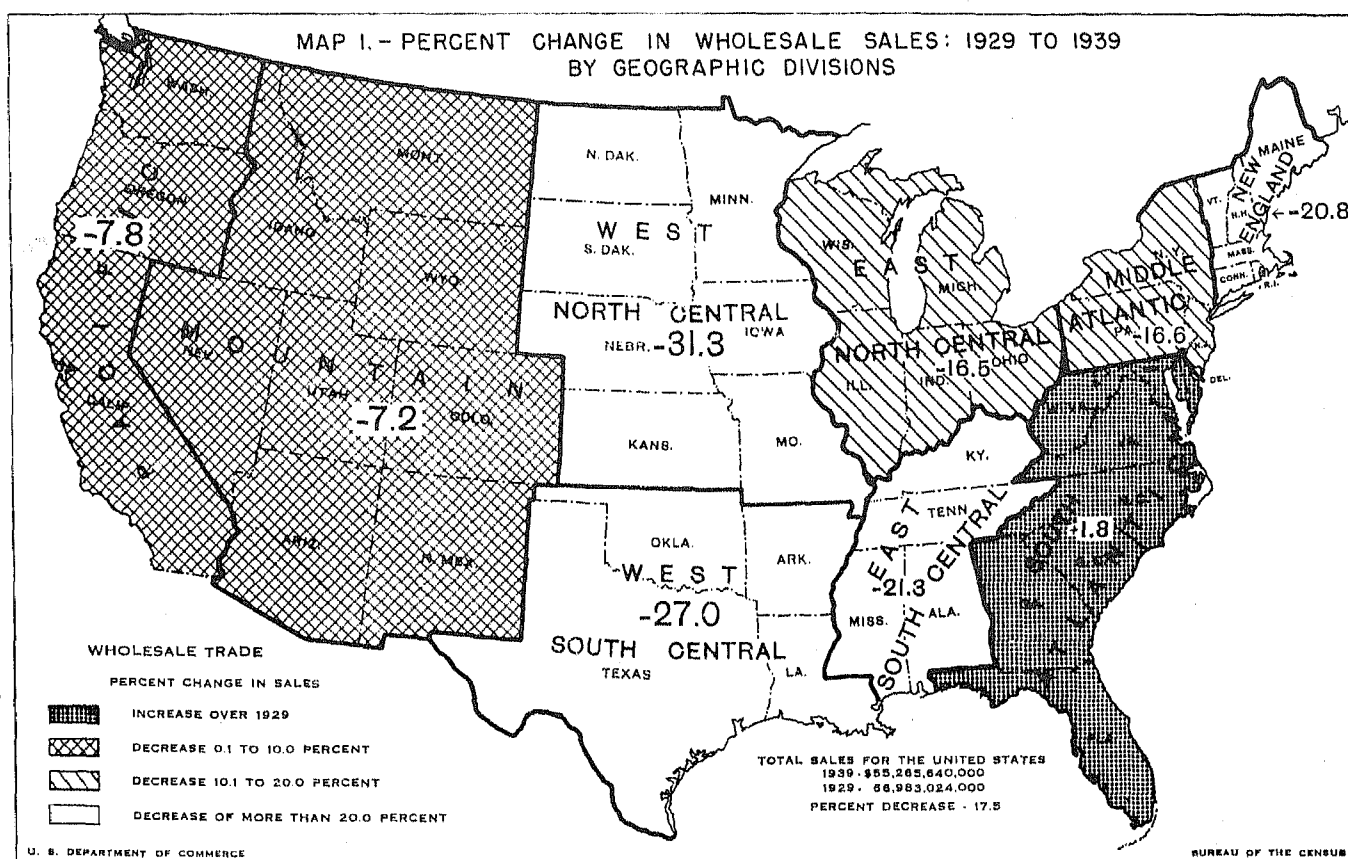
(—) Decrease.

¹ Data for 1935 exclude personnel and pay roll of 6,436 commission bulk stations in the petroleum trade.

² Includes stocks not owned but held on consignment, valued at \$124,872,000.

Geographic distribution of wholesale trade.—Wholesale trade as measured by the census for a State, city, or county represents the total business of all wholesale establishments located within the area. The geographic measurement is based on "location of establishment" from which the business is conducted rather than according to the location of the purchaser or customer. For example, sales of a salesman covering an Ohio territory but with headquarters in a wholesale establishment at Pittsburgh would be credited to Pittsburgh.

The South Atlantic, Mountain, and Pacific groups of States show up most favorably when 1939 sales are compared with 1929. Although the dollar volume for the country as a whole was off 17.5 percent in the decade, the South Atlantic Division enjoyed an increase of 1.8 percent. Sales in the Mountain Division were back to 92.8 percent and in the Pacific to 92.2 percent of their respective 1929 levels. New England and the agricultural States of the Midwest lagged in recovery with the West North Central Division still 31.3 percent below 1929.



Geographic divisions.—Table B measures sales of wholesale establishments by geographic divisions and shows the percentage change in dollar volume, without adjustments for changes in the price level, in the decade 1929 to 1939. The Middle Atlantic Division, comprised of New York, New Jersey, and Pennsylvania, accounted for 34.2 percent of the total volume of wholesale trade in 1939. Next in importance was the East North Central Division, consisting of Illinois, Indiana, Michigan, Ohio, and Wisconsin, with 20.3 percent of the total; followed by the West North Central States with 10.5 percent. Considered together establishments located in these three divisions accounted for 65.0 percent of the wholesale trade of the country.

TABLE B.—SALES BY GEOGRAPHIC DIVISIONS: 1939 AND 1929

GEOGRAPHIC DIVISION	SALES (ADD 000)		PERCENT OF TOTAL		Percent change 1929 to 1939
	1939	1929	1939	1929	
United States total	\$55,285,640	\$66,983,024	100.0	100.0	-17.5
New England	3,171,487	4,005,910	5.7	6.0	-20.8
Middle Atlantic	18,031,200	22,702,703	34.2	33.9	-16.6
East North Central	11,228,015	13,445,712	20.3	20.1	-16.5
West North Central	5,808,272	8,454,665	10.5	12.6	-31.3
South Atlantic	4,560,652	4,485,643	8.3	6.7	1.8
East South Central	1,904,803	2,496,685	3.6	3.7	-21.3
West South Central	3,457,385	4,739,143	6.3	7.1	-27.0
Mountain	1,088,587	1,173,657	2.0	1.7	-7.2
Pacific	5,049,170	5,478,906	9.1	8.2	-7.8

(-) Decrease.

States.—A summary of wholesale trade by geographic divisions and States for 1939 is given in table 1

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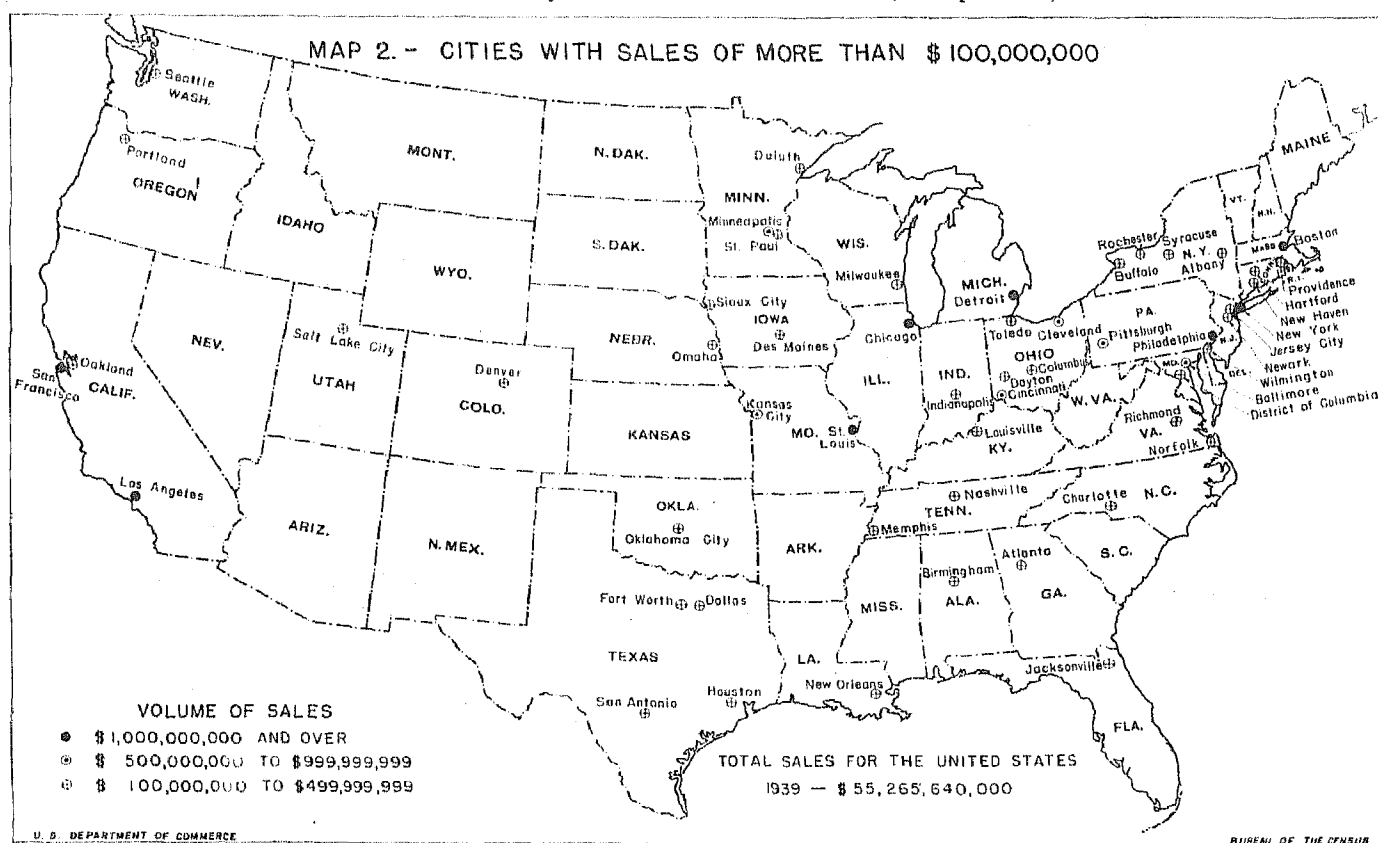
and comparative information for 1939, 1935, and 1929 appears in the Summary of Facts in this volume. New York State contributed 26.3 percent of the business of all establishments in the United States in 1939, compared with 25.6 percent in 1929. Illinois was second with 9.0 percent of the total in 1939, slightly less than its 10.0 percent in 1929.

California stepped up from number four position in 1929 to number three in 1939 when its percentage of the total business increased from 6.1 to 6.9. Pennsylvania, on the other hand, dropped back from number three to number four position when its portion of the total dropped from 6.9 to 6.1 percent.

States comparing most favorably with their respective 1929 sales are: Nevada with a 69.5 percent in-

crease; Delaware, a gain of 33.4 percent; New Mexico, 24.9 percent; North Carolina, 19.6 percent; Florida, 18.4 percent; and New Jersey, 14.9 percent. The District of Columbia gained 55.7 percent in dollar volume. On the other extreme are found Kansas, Nebraska, South Dakota, Oklahoma, Mississippi, and North Dakota, each with a drop of 35 percent or more in dollar volume.

When the 91 cities with more than 100,000 population and the District of Columbia are considered together, it is noted that they accounted for three-fourths (75.2 percent) of all wholesale trade, but less than one-half (47.9 percent) of the wholesale establish-



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Cities.—That wholesale trade is a big city phenomenon is clearly indicated in chart I and in table C which show the unusually high concentration of wholesale trade in the larger population centers. More than one-half (52.4 percent) of all wholesale trade in the United States in 1939 was transacted by establishments located in the 13 cities with a population of more

than 500,000 and in the District of Columbia. This business was conducted by 61,732 establishments or 30.8 percent of the total. Thus it is seen that the average annual sales volume of establishments in the big cities is much larger than in the smaller cities and rural areas. It is interesting to note that while the 13 largest cities together with the District of Columbia contributed 52.4 percent of the wholesale trade they contained only 17.0 percent of the country's population.

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ments. These 92 population centers, however, contributed only 28.9 percent to the country's population in 1940.

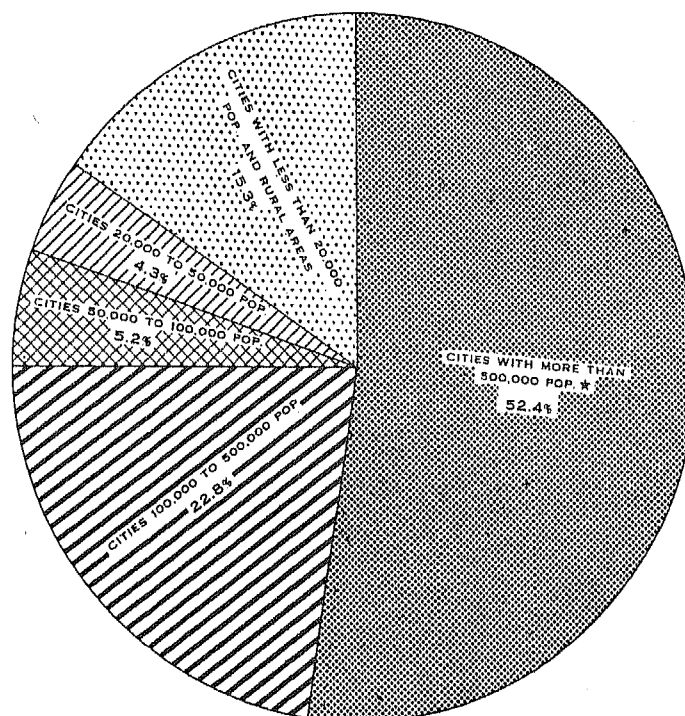
The 105 cities of 50,000 to 100,000 population show about the same percentage of establishments (5.7 percent) and of wholesale sales (5.2 percent) as they do in population (5.5 percent). Cities with less than 50,000 population together with rural areas accounted for only 19.6 percent of sales but 65.6 percent of the population.

As a partial explanation of the small portion of wholesale trade in smaller cities and rural communities, it should be pointed out that a large number of assemblers and country buyers of farm products which operate on a relatively small scale are found in these areas. In

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CHART I.—SALES BY CITY-SIZE GROUPS EXPRESSED AS A PERCENTAGE OF THE UNITED STATES TOTAL

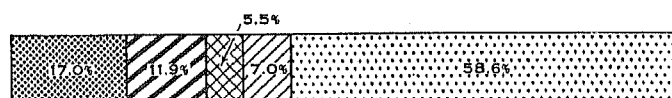
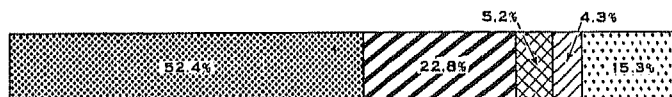


UNITED STATES TOTALS

NET SALES
\$ 55,265,640,000

NUMBER OF ESTABLISHMENTS
200,573

POPULATION, 1940
131,669,275



CITIES WITH MORE THAN 500,000 POP.*
 CITIES 100,000 TO 500,000 POP.
 CITIES 50,000 TO 100,000 POP.
 CITIES 20,000 TO 50,000 POP.
 CITIES WITH LESS THAN 20,000 POP. AND RURAL AREAS

* Includes the District of Columbia

TABLE C.—ESTABLISHMENTS AND SALES (1939) AND POPULATION (1940) BY CITY-SIZE GROUPS

CITY-SIZE GROUP	ESTABLISHMENTS		SALES		POPULATION 1940	
	Number	Percent of total	Amount (add 000)	Percent of total	Number of persons	Percent of total
United States total.....	200,573	100.0	\$55,265,640	100.0	131,669,275	100.0
Cities with a population of—						
More than 500,000 ¹ (14 cities)	61,732	30.8	28,970,741	52.4	22,367,825	17.0
100,000 to 500,000 (78 cities)	34,273	17.1	12,597,919	22.8	15,620,164	11.9
50,000 to 100,000 (105 cities)	11,343	5.7	2,847,543	5.2	7,229,094	5.5
20,000 to 50,000 (298 cities)	13,577	6.8	2,361,100	4.3	9,231,691	7.0
Less than 20,000 and rural areas.....	79,648	39.6	8,488,337	15.3	77,219,601	58.6

¹ Includes the District of Columbia.

small communities are also found large numbers of cream stations and petroleum bulk stations, establishments that are relatively small from the standpoint of dollar volume of business.

New York City alone accounts for almost one-fourth (23.4 percent) of all wholesale trade in the United States, while Chicago is second with 7.4 percent, and Boston third with 3.0 percent. The three cities combined contributed over one-third of the wholesale business of the country in 1939 but only 8.8 percent of the population in 1940.

Although wholesale trade is concentrated in the larger cities, correlation between sales and population is not perfect. New York City and Chicago rank first

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and second, respectively, in wholesale trade and population, but Boston which is third in wholesale trade is ninth in population, and San Francisco which is twelfth in population ranks fifth in wholesale trade. Many cities, on the other hand, rank lower as wholesale centers than they do in population.

When considered as a group, the 13 cities with more than 500,000 population and the District of Columbia show an increase in sales in 1939 over 1935 of 31.2 percent compared with an increase of 29.1 percent for the

country as a whole; or a slightly larger concentration in the big cities in 1939 than in 1935. Wholesale trade for the 78 cities with 100,000 to 500,000 population increased 27.3 percent or slightly less than the national average. The largest percentage gain in business is noted for cities of 50,000 to 100,000 population (33.3 percent), while a gain of only 25.0 percent was recorded by cities of less than 50,000 population and rural areas.

TABLE D.—SUMMARY FOR CITIES OF MORE THAN 50,000 POPULATION: 1939, 1935, AND 1929

CITY WITH 1940 POPULATION	NUMBER OF WHOLESALE ESTABLISHMENTS			SALES (ADD 000)			ACTIVE PROPRIETORS AND FIRM MEMBERS	NUMBER OF EMPLOYEES *	TOTAL PAY ROLL * (ADD 000)
	1939	1935	1929	1939	1935	1929			
United States total..... (131, 000, 275)	200, 873	176, 756	168, 820	\$55, 265, 640	\$42, 802, 913	\$36, 983, 024	133, 698	1, 561, 948	\$2, 024, 203
Cities with population of—									
More than 500,000..... (22, 367, 825)	61, 732	54, 526	52, 590	\$28, 970, 741	\$22, 086, 195	\$35, 929, 363	40, 331	648, 731	\$1, 323, 836
100,000 to 500,000..... (15, 620, 164)	34, 273	30, 044	27, 981	\$12, 597, 910	\$9, 807, 624	\$15, 718, 773	19, 328	382, 896	\$643, 328
50,000 to 100,000..... (7, 229, 984)	11, 343	9, 871	8, 786	\$2, 847, 543	\$2, 136, 856	\$3, 735, 083	6, 673	109, 716	\$163, 375
Less than 50,000 and rural..... (86, 451, 292)	93, 225	82, 315	79, 453	\$10, 849, 437	\$8, 082, 238	\$11, 604, 795	67, 366	420, 605	\$493, 664
CITIES WITH MORE THAN 500,000 POPULATION									
Total.....	61, 732	54, 526	52, 590	\$28, 970, 741	\$22, 086, 195	\$35, 929, 363	40, 331	648, 731	\$1, 323, 836
Baltimore, Md..... (859, 100)	1, 664	1, 622	1, 582	578, 628	424, 478	621, 141	1, 219	17, 715	28, 222
Boston, Mass..... (770, 816)	3, 361	3, 330	3, 637	1, 434, 784	1, 329, 043	2, 306, 886	1, 737	36, 298	75, 002
Buffalo, N. Y..... (575, 001)	1, 021	892	1, 160	430, 270	350, 096	639, 806	527	10, 639	19, 089
Chicago, Ill..... (3, 306, 808)	7, 790	6, 402	6, 679	4, 080, 415	3, 269, 729	5, 606, 779	4, 743	66, 464	100, 205
Cleveland, Ohio..... (878, 336)	2, 226	2, 123	1, 954	946, 653	681, 242	1, 057, 972	1, 077	23, 539	47, 127
Detroit, Mich..... (1, 623, 452)	2, 763	2, 333	2, 115	1, 304, 451	950, 734	1, 425, 354	1, 811	27, 350	53, 037
Los Angeles, Calif..... (1, 504, 277)	4, 808	3, 975	3, 126	1, 285, 265	689, 461	1, 333, 438	3, 759	41, 411	73, 751
Milwaukee, Wis..... (587, 472)	1, 455	1, 251	1, 054	412, 366	344, 732	508, 461	707	12, 007	22, 824
New York, N. Y..... (7, 454, 995)	24, 042	21, 418	19, 540	12, 954, 252	9, 617, 910	15, 305, 046	15, 827	241, 405	544, 796
Philadelphia, Pa..... (1, 931, 334)	4, 073	3, 961	4, 342	1, 622, 100	1, 325, 154	2, 221, 678	3, 190	42, 267	77, 824
Pittsburgh, Pa..... (671, 659)	1, 745	1, 456	1, 841	832, 069	621, 275	1, 434, 044	1, 191	20, 787	39, 519
St. Louis, Mo..... (816, 048)	2, 663	2, 102	1, 934	1, 104, 102	882, 323	1, 334, 075	1, 464	34, 367	61, 253
San Francisco, Calif..... (634, 536)	3, 359	2, 942	3, 134	1, 377, 614	1, 107, 289	1, 766, 482	2, 643	34, 612	70, 099
Washington, D. C..... (663, 091)	753	629	492	347, 772	242, 729	223, 401	437	10, 250	18, 388
CITIES FROM 100,000 TO 500,000 POPULATION									
Total.....	34, 273	30, 044	27, 981	\$12, 597, 910	\$9, 807, 624	\$15, 718, 773	19, 328	382, 896	\$643, 328
Akron, Ohio..... (244, 791)	337	322	201	92, 766	67, 674	105, 532	192	2, 898	4, 020
Albany, N. Y..... (130, 777)	349	304	243	106, 849	101, 765	124, 335	160	4, 056	7, 287
Atlanta, Ga..... (302, 288)	989	809	750	465, 115	328, 474	498, 917	489	12, 473	22, 217
Birmingham, Ala..... (267, 683)	483	305	420	182, 632	118, 223	248, 377	201	6, 130	9, 742
Bridgeport, Conn..... (147, 121)	211	192	145	52, 842	37, 339	74, 674	110	2, 153	3, 971
Cambridge, Mass..... (110, 879)	157	113	121	65, 635	49, 561	55, 755	35	2, 647	4, 637
Cumden, N. J..... (117, 536)	136	126	65	27, 871	19, 527	19, 888	86	1, 236	1, 975
Canton, Ohio..... (108, 401)	158	128	120	40, 574	28, 944	35, 224	70	1, 658	2, 700
Charlotte, N. C..... (100, 809)	323	261	263	207, 901	124, 770	184, 049	123	4, 109	7, 715
Chattanooga, Tenn..... (128, 163)	227	204	135	69, 374	52, 151	62, 754	137	2, 129	3, 032
Cincinnati, Ohio..... (455, 610)	1, 533	1, 383	1, 316	647, 187	477, 139	691, 387	995	14, 472	27, 170
Columbus, Ohio..... (306, 087)	494	448	512	159, 038	117, 290	196, 404	244	5, 717	9, 064
Dallas, Tex..... (294, 734)	1, 043	903	803	475, 454	400, 668	709, 731	577	13, 018	21, 741
Dayton, Ohio..... (210, 718)	328	335	237	117, 941	74, 118	112, 669	179	3, 693	6, 917
Denver, Colo..... (322, 412)	903	835	934	340, 989	261, 593	395, 958	636	9, 930	16, 408
Des Moines, Iowa..... (159, 810)	306	314	330	143, 015	107, 419	136, 780	166	4, 900	8, 334
Duluth, Minn..... (101, 065)	227	206	185	100, 729	85, 809	171, 363	111	3, 256	5, 419
Elizabeth, N. J..... (109, 912)	93	106	75	24, 632	22, 402	51, 161	51	703	1, 220
Erie, Pa..... (116, 955)	159	160	159	27, 697	20, 547	31, 947	109	1, 297	1, 030
Fall River, Mass..... (115, 428)	178	179	130	32, 709	30, 913	55, 144	125	1, 172	1, 732
Flint, Mich..... (151, 543)	157	137	102	74, 436	64, 364	38, 519	89	2, 006	3, 527
Fort Wayne, Ind..... (118, 410)	220	201	158	47, 614	29, 056	53, 164	130	2, 017	3, 309
Fort Worth, Tex..... (177, 662)	436	281	240	148, 386	116, 492	270, 844	304	3, 811	5, 541
Gary, Ind..... (111, 719)	84	80	38	14, 618	9, 725	10, 053	49	802	900
Grand Rapids, Mich..... (104, 292)	414	372	410	84, 917	61, 446	120, 210	266	3, 409	5, 394
Hartford, Conn..... (166, 267)	365	368	323	115, 046	81, 074	125, 187	167	4, 529	7, 746
Houston, Tex..... (384, 514)	845	576	506	457, 911	331, 180	519, 913	419	10, 904	18, 980
Indianapolis, Ind..... (386, 972)	840	735	730	374, 483	306, 302	436, 596	475	10, 056	17, 268
Jacksonville, Fla..... (173, 065)	402	323	342	151, 633	129, 281	163, 160	183	4, 844	7, 269
Jersey City, N. J..... (301, 173)	219	195	169	128, 213	78, 494	117, 769	108	3, 735	6, 794
Kansas City, Kans..... (121, 458)	130	80	97	39, 719	30, 673	92, 217	79	1, 411	2, 303
Kansas City, Mo..... (399, 178)	1, 474	1, 459	1, 651	762, 069	649, 885	1, 382, 272	947	17, 829	31, 141
Knoxville, Tenn..... (111, 680)	219	101	135	67, 308	51, 904	53, 448	114	2, 350	3, 478
Long Beach, Calif..... (164, 271)	281	242	127	85, 262	25, 840	33, 593	229	1, 528	2, 652
Louisville, Ky..... (319, 077)	613	517	525	215, 936	135, 205	245, 673	401	9, 173	13, 548

See footnote at end of table.

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TABLE D.—SUMMARY FOR CITIES OF MORE THAN 50,000 POPULATION: 1939, 1935, AND 1929—Continued

CITY WITH 1940 POPULATION	NUMBER OF WHOLESALE ESTABLISHMENTS			SALES (ADD 000)			ACTIVE PROPRIETORS AND FIRM MEMBERS	NUMBER OF EMPLOYEES *	TOTAL PAY ROLL * (ADD 000)
	1939	1935	1929	1939	1935	1929			
Lowell, Mass. (101,380)	76	92	89	\$13,598	\$11,808	\$24,043	37	588	\$872
Memphis, Tenn. (292,042)	675	604	628	433,254	380,905	652,877	461	8,037	13,675
Miami, Fla. (172,172)	382	301	244	88,065	58,002	47,243	179	4,178	6,328
Minneapolis, Minn. (492,370)	1,365	1,123	1,062	716,804	625,090	797,874	762	16,075	30,615
Nashville, Tenn. (167,402)	393	439	221	127,347	115,552	117,284	277	4,321	6,195
Newark, N. J. (429,760)	1,006	799	638	397,832	269,815	348,068	501	13,000	24,328
New Bedford, Mass. (110,341)	100	110	107	19,068	20,801	35,837	50	815	1,202
New Haven, Conn. (160,605)	375	328	389	117,994	85,505	138,850	183	3,752	6,531
New Orleans, La. (494,537)	1,022	933	712	437,639	405,701	601,981	556	14,424	21,440
Norfolk, Va. (144,332)	328	312	316	106,889	88,279	138,786	162	4,143	5,554
Oakland, Calif. (302,163)	552	534	385	135,317	112,738	117,308	420	5,160	9,414
Oklahoma City, Okla. (204,424)	556	441	461	193,322	158,857	286,310	307	5,022	9,705
Omaha, Neb. (223,844)	678	603	643	390,754	344,625	703,465	397	8,131	13,146
Paterson, N. J. (139,656)	226	224	141	41,625	32,386	65,958	142	1,688	2,832
Peoria, Ill. (105,087)	262	239	215	83,323	76,380	98,750	143	2,236	3,872
Portland, Oreg. (305,304)	956	866	867	317,326	269,779	393,432	433	10,337	18,196
Providence, R. I. (253,504)	553	495	577	183,714	142,503	246,423	294	5,826	10,082
Reading, Pa. (110,598)	213	181	203	37,433	30,883	56,148	157	1,762	2,547
Richmond, Va. (193,042)	453	413	411	208,066	172,420	216,159	208	8,913	13,155
Rochester, N. Y. (324,975)	574	455	571	144,841	94,231	220,031	330	5,251	9,026
Sacramento, Calif. (105,958)	228	178	128	67,700	55,533	83,579	208	2,494	4,468
St. Paul, Minn. (287,736)	630	532	441	224,496	162,486	221,666	400	7,479	12,956
Salt Lake City, Utah. (149,934)	444	407	334	129,699	99,536	130,332	223	4,880	8,100
San Antonio, Tex. (253,854)	437	438	336	123,108	86,773	129,147	315	5,697	6,660
San Diego, Calif. (203,341)	270	265	199	55,235	42,627	56,839	171	2,538	4,040
Seranton, Pa. (140,404)	281	256	279	57,156	47,771	111,866	182	2,412	3,705
Seattle, Wash. (368,302)	1,500	1,276	1,220	451,292	329,668	674,707	240	13,449	24,957
Somerville, Mass. (102,177)	70	54	31	17,229	14,739	32,993	38	976	1,921
South Bend, Ind. (101,268)	158	140	129	46,619	28,550	40,619	86	1,608	2,884
Spokane, Wash. (122,001)	299	272	256	76,081	67,435	134,049	171	3,153	5,098
Springfield, Mass. (149,554)	320	268	254	78,603	63,627	115,560	153	2,691	4,597
Syracuse, N. Y. (205,967)	456	370	460	164,441	103,770	178,538	240	4,729	8,453
Tacoma, Wash. (109,408)	206	200	150	60,111	49,544	55,940	99	2,067	3,737
Tampa, Fla. (108,391)	208	204	223	87,997	63,575	82,679	138	3,040	4,923
Toledo, Ohio. (282,349)	499	494	413	128,510	117,620	166,527	278	5,550	9,299
Trenton, N. J. (124,697)	189	168	132	36,352	33,522	36,593	105	1,694	2,651
Tulsa, Okla. (142,157)	380	308	278	75,410	58,405	102,407	190	2,947	4,904
Utica, N. Y. (100,518)	222	205	184	49,201	39,902	59,359	147	1,939	3,088
Wichita, Kans. (114,966)	319	240	256	60,574	74,293	161,155	174	2,991	4,489
Wilmington, Del. (112,504)	160	149	127	135,640	96,497	192,114	66	2,260	5,283
Worcester, Mass. (193,694)	270	249	246	72,709	58,278	68,455	106	2,678	4,587
Yonkers, N. Y. (142,598)	116	92	74	32,285	25,016	27,605	96	1,050	1,936
Youngstown, Ohio. (167,720)	257	235	194	64,229	40,592	100,942	151	1,974	3,249
CITIES FROM 50,000 TO 100,000 POPULATION									
Total	11,343	9,871	8,786	\$2,847,543	\$2,136,856	\$3,735,093	6,673	109,716	\$163,375
Allentown, Pa. (96,004)	194	160	116	35,820	29,830	44,753	130	1,946	2,919
Altoona, Pa. (80,214)	106	107	104	16,736	15,808	33,584	80	773	1,024
Amarillo, Tex. (61,080)	147	115	106	35,072	24,732	56,335	74	1,416	2,174
Asheville, N. C. (51,310)	98	78	76	17,028	12,710	22,854	40	859	1,180
Atlantic City, N. J. (64,094)	104	108	70	18,996	14,196	21,374	54	795	1,223
Augusta, Ga. (65,919)	122	129	118	30,501	26,392	83,704	82	925	1,200
Austin, Tex. (87,930)	114	92	74	21,882	16,134	26,257	83	970	1,350
Bayonne, N. J. (79,108)	62	36	41	23,500	15,062	33,736	24	442	815
Beaumont, Tex. (59,061)	126	90	82	28,486	23,129	31,214	75	1,062	1,558
Berkeley, Calif. (85,547)	34	36	26	8,909	3,620	3,453	14	297	533
Bethlehem, Pa. (58,490)	40	40	37	24,308	14,300	37,600	28	559	1,453
Binghamton, N. Y. (78,309)	154	120	126	33,075	22,636	42,825	89	1,525	2,288
Brockton, Mass. (62,343)	106	77	78	15,036	10,304	28,673	78	679	1,072
Cedar Rapids, Iowa. (62,120)	159	112	121	37,982	32,409	54,613	83	1,628	2,240
Charleston, S. C. (71,275)	131	125	105	31,292	37,318	45,361	81	1,272	1,596
Charleston, W. Va. (67,914)	208	161	134	67,762	49,399	77,313	77	2,658	4,584
Chester, Pa. (59,285)	58	57	59	7,874	6,444	18,882	49	302	443
Cleora, Ill. (64,712)	47	30	21	7,674	5,283	10,209	30	471	790
Cleveland Heights, Ohio. (54,992)	9	4	5	265	507	267	5	15	15
Columbia, S. C. (62,396)	130	135	119	46,570	35,270	45,677	61	1,419	2,243
Columbus, Ga. (53,280)	68	67	63	17,488	13,192	17,462	34	736	977
Corpus Christi, Tex. (57,301)	178	56	47	46,181	13,592	10,435	113	1,385	1,858
Covington, Ky. (62,018)	69	66	33	9,392	7,175	6,889	52	329	426
Davenport, Iowa. (66,039)	139	143	132	49,062	44,668	45,405	71	1,703	2,702
Dearborn, Mich. (63,584)	16	24	6	12,405	3,308	1,953	11	139	224
Decatur, Ill. (59,305)	102	106	83	23,573	20,169	26,051	60	876	1,342
Durham, N. C. (60,195)	65	69	62	38,027	16,678	53,315	40	1,934	1,873
East Chicago, Ind. (54,637)	31	28	19	9,823	5,657	15,395	10	285	604
East Orange, N. J. (68,946)	24	18	18	3,974	3,517	7,725	8	211	344
East St. Louis, Ill. (75,609)	77	66	52	22,113	15,574	14,110	41	638	944
El Paso, Tex. (66,810)	231	186	205	48,769	41,461	74,384	134	1,986	2,978
Evansville, Ind. (65,389)	36	31	26	6,569	4,876	8,053	20	204	346
Evansville, Ind. (97,062)	220	200	154	51,544	41,886	61,096	130	2,247	3,352
Fresno, Calif. (60,685)	218	209	189	56,641	36,569	55,051	141	1,762	2,925
Galveston, Tex. (60,862)	116	107	99	33,245	19,310	114,271	79	867	1,105

See footnote at end of table.

CENSUS OF BUSINESS

TABLE D.—SUMMARY FOR CITIES OF MORE THAN 50,000 POPULATION: 1939, 1935, AND 1929—Continued

CITY WITH 1940 POPULATION	NUMBER OF WHOLESALE ESTABLISHMENTS			SALES (ADD 000)			ACTIVE PROPRIETORS AND FIRM MEMBERS	NUMBER OF EMPLOYEES*	TOTAL PAY ROLL* (ADD 000)
	1939	1935	1929	1939	1935	1929	1939	1939	1939
Glendale, Calif. (82, 582)	66	54	28	\$8, 954	\$5, 571	\$5, 174	52	447	\$676
Greensboro, N. C. (59, 310)	153	120	111	57, 395	38, 580	51, 559	72	1, 351	2, 364
Hamilton, Ohio (50, 502)	49	55	40	6, 339	6, 435	8, 529	27	289	435
Hammond, Ind. (70, 184)	45	48	30	8, 790	6, 204	11, 720	21	327	524
Harrisburg, Pa. (83, 893)	218	179	155	49, 707	45, 702	50, 153	144	2, 399	3, 742
Highland Park, Mich. (50, 810)	41	31	10	6, 701	3, 204	4, 075	27	210	418
Hoboken, N. J. (50, 115)	55	43	59	42, 336	12, 643	20, 710	26	1, 506	2, 370
Holyoke, Mass. (53, 750)	65	44	74	15, 261	8, 737	15, 077	28	628	1, 099
Huntington, W. Va. (78, 836)	184	103	129	39, 007	32, 023	50, 495	104	1, 044	2, 561
Irvington, N. J. (55, 328)	49	31	18	6, 865	5, 029	3, 139	23	305	627
Jackson, Miss. (62, 107)	142	95	119	37, 008	17, 094	40, 086	78	1, 333	1, 995
Johnstown, Pa. (66, 668)	63	70	95	19, 581	14, 087	20, 874	67	788	1, 148
Kalamazoo, Mich. (64, 097)	118	105	75	22, 615	19, 151	40, 891	63	1, 098	1, 731
Lakewood, Ohio (69, 160)	11	8	11	1, 135	700	3, 034	5	60	133
Lancaster, Pa. (61, 345)	142	111	113	24, 529	17, 241	31, 288	101	1, 289	1, 790
Lansing, Mich. (78, 753)	145	113	99	32, 153	27, 479	44, 411	83	1, 254	1, 972
Lawrence, Mass. (84, 323)	69	68	59	23, 095	17, 774	15, 048	70	904	1, 471
Lincoln, Nebr. (81, 084)	144	141	130	33, 314	31, 043	60, 413	61	1, 078	2, 440
Little Rock, Ark. (68, 039)	243	197	155	73, 500	59, 376	100, 640	143	2, 579	3, 618
Lynn, Mass. (98, 123)	109	114	119	13, 622	11, 386	17, 231	84	608	958
Macon, Ga. (67, 865)	97	80	80	24, 565	10, 180	25, 500	50	1, 013	1, 335
Madison, Wis. (67, 447)	147	126	100	33, 580	22, 373	31, 636	60	1, 455	2, 379
Malden, Mass. (58, 010)	28	29	44	6, 505	4, 359	7, 885	8	267	476
Manchester, N. H. (77, 685)	101	96	101	24, 367	19, 343	23, 067	51	1, 132	1, 671
McKeesport, Pa. (55, 355)	48	47	41	12, 013	10, 547	30, 182	41	554	774
Medford, Mass. (63, 083)	5	3	7	1, 806	367	3, 331	2	132	213
Mobile, Ala. (78, 720)	163	152	110	43, 076	36, 740	52, 531	95	1, 761	2, 379
Montgomery, Ala. (78, 084)	147	133	134	56, 851	45, 469	86, 861	85	1, 740	2, 406
Mount Vernon, N. Y. (67, 302)	100	83	42	25, 004	18, 006	13, 852	62	910	1, 813
New Britain, Conn. (68, 085)	46	43	24	6, 588	5, 088	0, 418	27	270	453
New Rochelle, N. Y. (58, 408)	39	35	28	10, 639	6, 552	20, 312	23	295	558
Newton, Mass. (69, 873)	23	13	7	3, 628	932	690	11	80	175
Niagara Falls, N. Y. (78, 020)	61	58	45	6, 773	5, 484	15, 014	40	269	441
Oak Park, Ill. (66, 015)	19	12	10	2, 858	3, 035	2, 872	9	113	191
Pasadena, Calif. (81, 864)	73	70	55	14, 081	8, 607	11, 275	46	785	1, 121
Passaic, N. J. (61, 304)	98	70	37	26, 808	17, 221	17, 811	71	904	1, 674
Pawtucket, R. I. (75, 707)	45	43	32	8, 869	6, 696	8, 206	30	327	541
Phoenix, Ariz. (65, 414)	104	201	141	40, 519	46, 032	60, 742	95	2, 046	3, 033
Pontiac, Mich. (66, 626)	52	53	40	18, 446	18, 005	10, 871	30	623	1, 101
Portsmouth, Va. (50, 745)	35	30	20	4, 515	4, 098	4, 622	28	359	317
Portland, Maine (73, 643)	183	192	221	61, 479	48, 988	85, 194	48	2, 816	4, 198
Pueblo, Colo. (52, 162)	94	81	65	16, 446	11, 524	18, 965	44	609	805
Quincy, Mass. (75, 810)	33	33	30	9, 764	9, 205	6, 807	12	255	408
Racine, Wis. (67, 195)	77	70	54	13, 472	10, 623	11, 931	41	539	912
Roanoke, Va. (69, 287)	130	123	128	37, 524	26, 196	38, 662	69	1, 404	2, 061
Rockford, Ill. (84, 637)	176	161	103	24, 965	19, 629	20, 654	98	1, 122	1, 763
Saginaw, Mich. (82, 794)	142	130	116	37, 719	23, 695	38, 268	78	1, 612	2, 437
St. Joseph, Mo. (75, 711)	153	146	127	45, 926	38, 553	78, 292	77	1, 961	2, 607
St. Petersburg, Fla. (60, 812)	50	49	49	7, 332	5, 530	6, 199	24	360	503
San Jose, Calif. (68, 457)	123	113	80	21, 619	16, 085	21, 099	84	1, 133	1, 848
Santa Monica, Calif. (53, 500)	57	41	25	9, 163	5, 392	3, 059	52	321	483
Savannah, Ga. (95, 990)	199	175	183	67, 581	61, 810	120, 570	120	1, 841	2, 404
Schenectady, N. Y. (87, 549)	99	88	77	23, 593	17, 570	24, 072	68	816	1, 297
Shreveport, La. (98, 167)	224	153	136	66, 868	40, 760	74, 023	109	2, 402	3, 542
Sioux City, Iowa (82, 364)	238	218	254	150, 439	111, 296	284, 545	176	2, 786	4, 279
Springfield, Ill. (75, 503)	128	118	120	29, 637	22, 522	34, 523	70	1, 326	2, 080
Springfield, Mo. (61, 238)	168	159	98	30, 363	27, 394	42, 486	120	1, 315	1, 794
Springfield, Ohio (70, 662)	81	72	50	10, 672	7, 097	8, 153	51	567	787
Stockton, Calif. (54, 714)	161	145	88	34, 110	27, 844	37, 910	147	1, 135	1, 922
Terre Haute, Ind. (62, 663)	136	125	121	29, 808	28, 436	50, 320	77	1, 328	2, 046
Topeka, Kans. (67, 833)	121	103	107	19, 730	20, 899	57, 037	78	1, 129	1, 545
Troy, N. Y. (70, 304)	101	104	86	23, 106	16, 405	34, 892	61	905	1, 301
Union City, N. J. (56, 173)	39	33	40	5, 910	3, 354	8, 581	24	338	656
Waco, Tex. (55, 982)	144	117	117	33, 051	31, 219	67, 994	80	1, 435	1, 808
Waterbury, Conn. (90, 314)	91	85	87	20, 982	15, 839	65, 361	43	862	1, 370
Waterloo, Iowa (51, 743)	103	95	66	20, 087	14, 243	23, 372	63	905	1, 450
Wheeling, W. Va. (61, 099)	173	166	126	42, 088	37, 087	72, 742	82	1, 054	2, 845
Wilkes-Barre, Pa. (86, 235)	202	173	221	45, 987	35, 395	50, 601	139	1, 509	2, 167
Winston-Salem, N. C. (79, 815)	140	113	82	41, 752	33, 076	38, 748	121	2, 553	2, 276
York, Pa. (56, 712)	119	104	122	24, 624	15, 387	24, 420	85	1, 181	1, 703

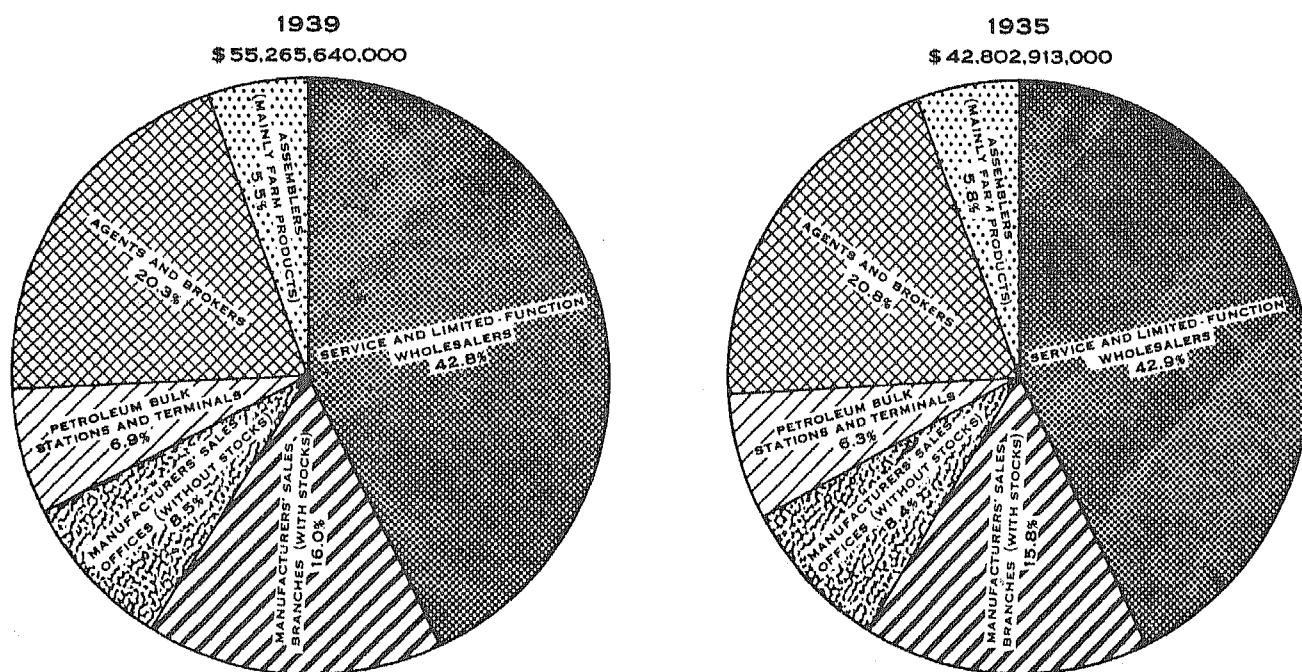
* Employees and pay roll include paid executives of corporations but not the number and compensation of proprietors of unincorporated businesses.

Wholesale trade by types of operation.—Totals for wholesale trade are important and interesting but for specific application these totals must be broken down by various classifications. Wholesale trade as defined for census purposes is somewhat broader than the usual conception as it includes manufacturer-owned sales outlets, petroleum bulk stations and distributing terminals, agents, brokers, and assemblers of farm products in addition to the more conventional types of distributors. All establishments are divided into six more or less homogeneous groups according to type of operation

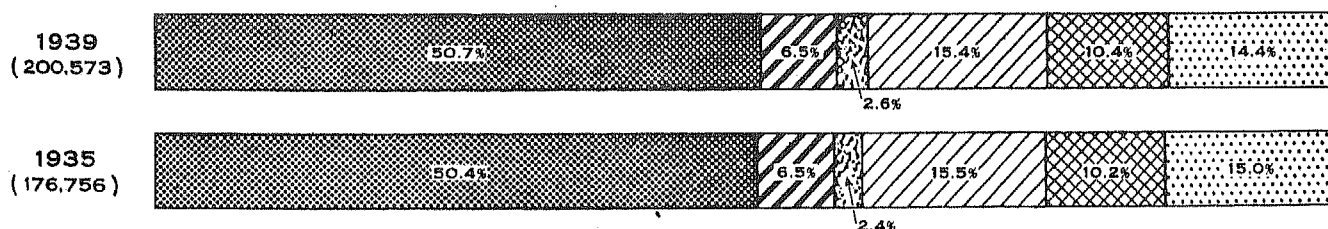
total, doing \$23,641,924,000 in business, or 42.8 percent of the total dollar volume. Included in the 101,627 establishments are 91,323 wholesale merchants of the more common type who take title to the goods they buy and sell and who are largely independent in ownership; 703 voluntary group wholesalers; 631 converters (merchants in the textile trade); 2,744 merchants engaged primarily in foreign trade, 586 of whom were exporters and 2,158 importers; 1,471 industrial distributors; 1,198 cash-and-carry wholesalers; 937 drop shippers or desk jobbers; 2,398 wagon distributors

CHART II.—WHOLESALE TRADE, BY TYPES OF OPERATION: 1939-1935

NET SALES



NUMBER OF ESTABLISHMENTS



or nature of functions performed. Four of these groups are further subdivided as explained in chapter III. Data on the number of establishments, sales, expenses, personnel, pay roll, and inventories are presented for each type in table 1.

Of all classes of establishments, service and limited-function wholesalers—wholesalers of the more conventional types plus merchants engaged primarily in foreign trade—are most important both in number of establishments and volume of business. They maintained 101,627 establishments, or 50.7 percent of the

and 222 cooperative warehouses. The importance of each of these detailed types of operation may be determined from table 1.

Manufacturers' sales branches (with stocks)—sales establishments operated by manufacturers, apart from plants, primarily for warehousing and marketing their products—numbered 12,977 and accounted for \$8,846,940,000 in sales or 16.0 percent of the total volume. Manufacturers' sales offices (without stocks), similar to manufacturers' sales branches (with stocks) except that they maintain no provision for warehousing goods,

numbered 5,119 and reported sales of \$4,679,262,000 which was 8.5 percent of the total. Petroleum bulk stations and distributing terminals were second to service and limited-function wholesalers in number of establishments, 30,825, but they accounted for only 6.9 percent of total sales; agents and brokers with 20,903 places of business were second from the standpoint of sales, contributing 20.3 percent of the total; and assemblers (mainly farm products) numbered 29,122 with 5.5 percent of total sales.

Compared with 1929, manufacturers' sales branches and offices combined and petroleum bulk stations increased their portion of the total dollar volume of business, while service and limited-function wholesalers, agents and brokers, and assemblers decreased slightly.

TABLE E.—WHOLESALE TRADE BY TYPES OF OPERATION—NUMBER OF ESTABLISHMENTS AND SALES, 1939; AND SALES RELATIVES 1939, 1935, AND 1929

TYPE OF OPERATION	Number of establishments	Net sales 1939 (add 000)	PERCENT OF TOTAL SALES		
			1939	1935	1929
United States total.....	200,573	\$66,265,640	100.0	100.0	100.0
Service and limited-function wholesalers. Manufacturers' sales branches (with stocks).....	101,027	23,641,924	42.8	42.9	45.3
Manufacturers' sales offices (without stocks).....	12,977	8,846,940	16.0	15.8	22.8
5,119	4,679,262	8.5	8.4		
Petroleum bulk stations and terminals ¹	30,825	3,807,908	6.9	6.3	3.6
Agents and brokers.....	20,903	11,201,035	20.3	20.8	21.2
Assemblers (mainly farm products).....	29,122	3,088,571	5.5	5.8	7.1

¹ Sales include taxes.

Wholesale trade by kinds of business.—In addition to being classified according to functional type, each wholesale establishment is also classified by kind of business, on the basis of the chief line or lines of merchandise in which it deals or according to its trade designation. On this basis of classification, all wholesale establishments are divided into 28 major kind-of-business groups which are further subdivided into 172 detailed kinds of business as described in the Appendix. In presenting the results on wholesale trade, the data are analyzed first by types of operation, then for each of the major type groups by kinds of business. Generally speaking, data for the major type groups are not combined in census reports to obtain totals by kinds of business. An exception to this rule is found in table 2, Monthly Employment and Sex of Employees.

Table 1 for the United States presents number of establishments, sales, operating expenses, personnel, pay roll, and inventories for each of the major type groups by kinds of business in detail, while table 1A analyzes the detailed types of operation by kinds of business.

The importance of breaking down wholesale establishments into detailed kind-of-business classifications

becomes apparent as soon as one attempts to make specific use of the figures. Business men, trade associations, administrative agencies, economists, and statisticians may thus determine the total number of wholesale establishments specializing in a given line of business, their net sales, operating expenses, number of employees, pay roll, stocks on hand, and other characteristics. Detailed figures also enable a wholesaler in a given line of business to compare his accomplishments with other wholesalers operating in a similar fashion.

CHART III.—SALES OF SERVICE AND LIMITED-FUNCTION WHOLESALESA BY KINDS OF BUSINESS

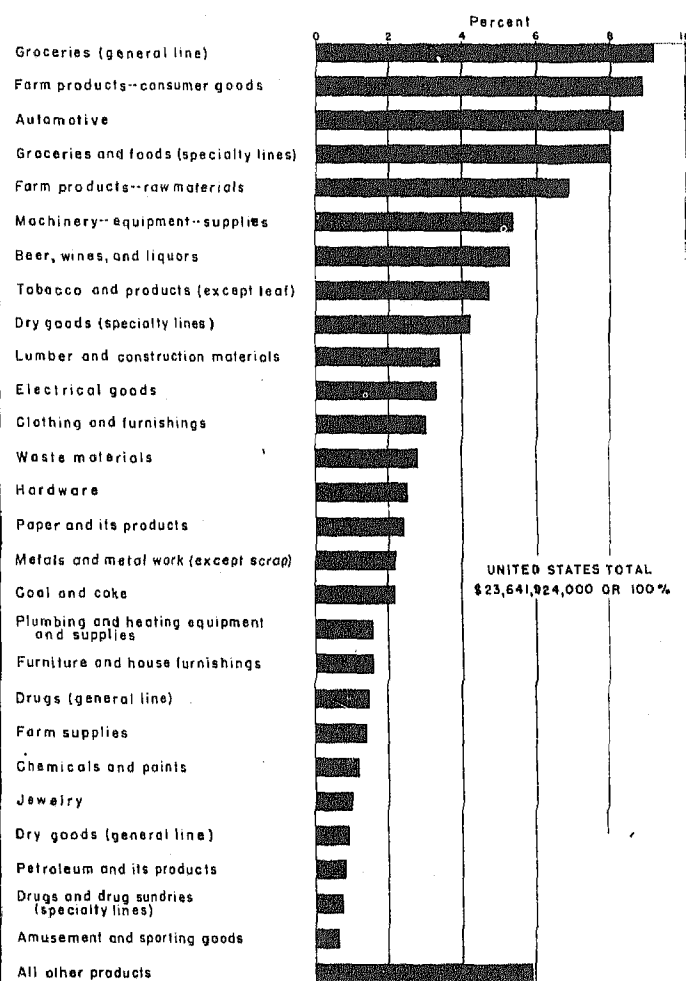


Table F measures in terms of dollar volume of sales the importance of the kind-of-business groups under each of the major types of operation. Groceries represent the most important kind of business for service and limited-function wholesalers and also for manufacturers' sales branches (with stocks). Metals and metalwork was highest for manufacturers' sales offices (without stocks), with 35.2 percent of the total volume; while farm products (raw materials) ranked first both under agents and brokers and under assemblers—26.4 percent and 58.6 percent, respectively.

WHOLESALE TRADE : 1939

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TABLE F.—WHOLESALE TRADE, 1939, TYPES OF OPERATION AND KINDS OF BUSINESS

KIND OF BUSINESS	NUMBER OF ESTABLISHMENTS					SALES (ADD 000)				
	Service and limited-function wholesalers	Manufacturers' sales branches (with stocks)	Manufacturers' sales offices (without stocks)	Agents and brokers	Assemblers (mainly farm products)	Service and limited-function wholesalers	Manufacturers' sales branches (with stocks)	Manufacturers' sales offices (without stocks)	Agents and brokers	Assemblers (mainly farm products)
United States total ¹	101, 027	12, 977	5, 119	20, 903	29, 122	\$23, 641, 924	\$8, 846, 940	\$4, 079, 262	\$11, 201, 035	\$3, 086, 571
Amusement and sporting goods.....	1, 342	398	66	192	-----	151, 084	270, 825	49, 731	20, 088	-----
Automotive.....	7, 964	937	59	331	-----	1, 995, 286	725, 709	65, 360	121, 426	-----
Beer, wines, and liquors.....	6, 232	409	80	102	-----	1, 249, 164	274, 265	132, 530	30, 051	-----
Chemicals and paints.....	1, 680	663	181	331	-----	281, 002	556, 135	248, 997	116, 246	-----
Clothing and furnishings.....	4, 178	297	241	1, 400	-----	700, 501	300, 302	121, 306	439, 389	-----
Coal and coke.....	919	6	5	305	-----	512, 835	6, 461	16, 199	404, 269	-----
Drugs (general line).....	297	-----	-----	-----	-----	363, 621	-----	-----	-----	-----
Drugs and drug sundries (specialty lines).....	1, 321	237	54	147	-----	157, 190	202, 097	50, 153	34, 546	-----
Dry goods (general line).....	222	-----	-----	27	-----	206, 083	-----	-----	219, 604	-----
Dry goods (specialty lines).....	3, 875	213	131	1, 470	-----	981, 468	210, 082	220, 664	1, 433, 117	-----
Electrical goods.....	3, 072	393	252	837	-----	788, 024	643, 067	217, 758	130, 532	-----
Farm products—raw materials.....	2, 086	-----	-----	3, 091	15, 639	1, 628, 706	-----	-----	2, 960, 657	1, 800, 317
Farm products—consumer goods.....	10, 945	610	75	1, 287	12, 132	2, 110, 766	199, 200	21, 682	731, 026	1, 148, 158
Farm supplies.....	1, 477	122	20	198	482	333, 844	52, 472	11, 696	108, 108	35, 283
Furniture and house furnishings.....	2, 214	285	131	780	-----	373, 464	131, 625	67, 840	100, 955	-----
Groceries (general line).....	3, 042	-----	-----	-----	-----	2, 185, 736	-----	-----	-----	-----
Groceries and foods (specialty lines).....	12, 045	2, 592	810	2, 729	810	1, 892, 033	2, 333, 306	346, 375	2, 085, 424	92, 618
Hardware.....	1, 343	98	55	392	-----	592, 000	24, 412	16, 088	61, 860	-----
Jewelry.....	1, 805	31	20	210	-----	234, 054	53, 478	9, 569	18, 737	-----
Lumber and construction materials.....	3, 303	353	334	944	-----	804, 392	238, 475	260, 790	213, 760	-----
Machinery—equipment—supplies.....	9, 743	3, 333	1, 094	2, 800	-----	1, 281, 692	976, 464	505, 669	366, 685	-----
Metals and metal work (except scrap).....	1, 017	481	530	608	-----	515, 975	469, 922	1, 647, 674	359, 125	-----
Paper and its products.....	2, 898	317	309	470	-----	574, 973	177, 454	187, 434	98, 607	-----
Petroleum and its products ¹	1, 275	56	21	146	-----	196, 734	21, 262	19, 620	91, 930	-----
Plumbing and heating equipment and supplies.....	2, 225	519	210	512	-----	379, 975	251, 633	41, 789	53, 200	-----
Tobacco and products (except leaf).....	2, 717	44	136	25	-----	1, 106, 215	446, 489	279, 863	16, 135	-----
Waste materials.....	6, 059	-----	-----	121	-----	656, 000	-----	-----	74, 181	-----
All other products.....	5, 431	583	287	1, 340	50	1, 387, 607	281, 805	140, 466	911, 286	3, 195

¹ Not included in this table are 30,825 petroleum bulk stations and distributing terminals with sales amounting to \$3,807,908,000.

CHAPTER II.—SOME CHARACTERISTICS OF WHOLESALE TRADE

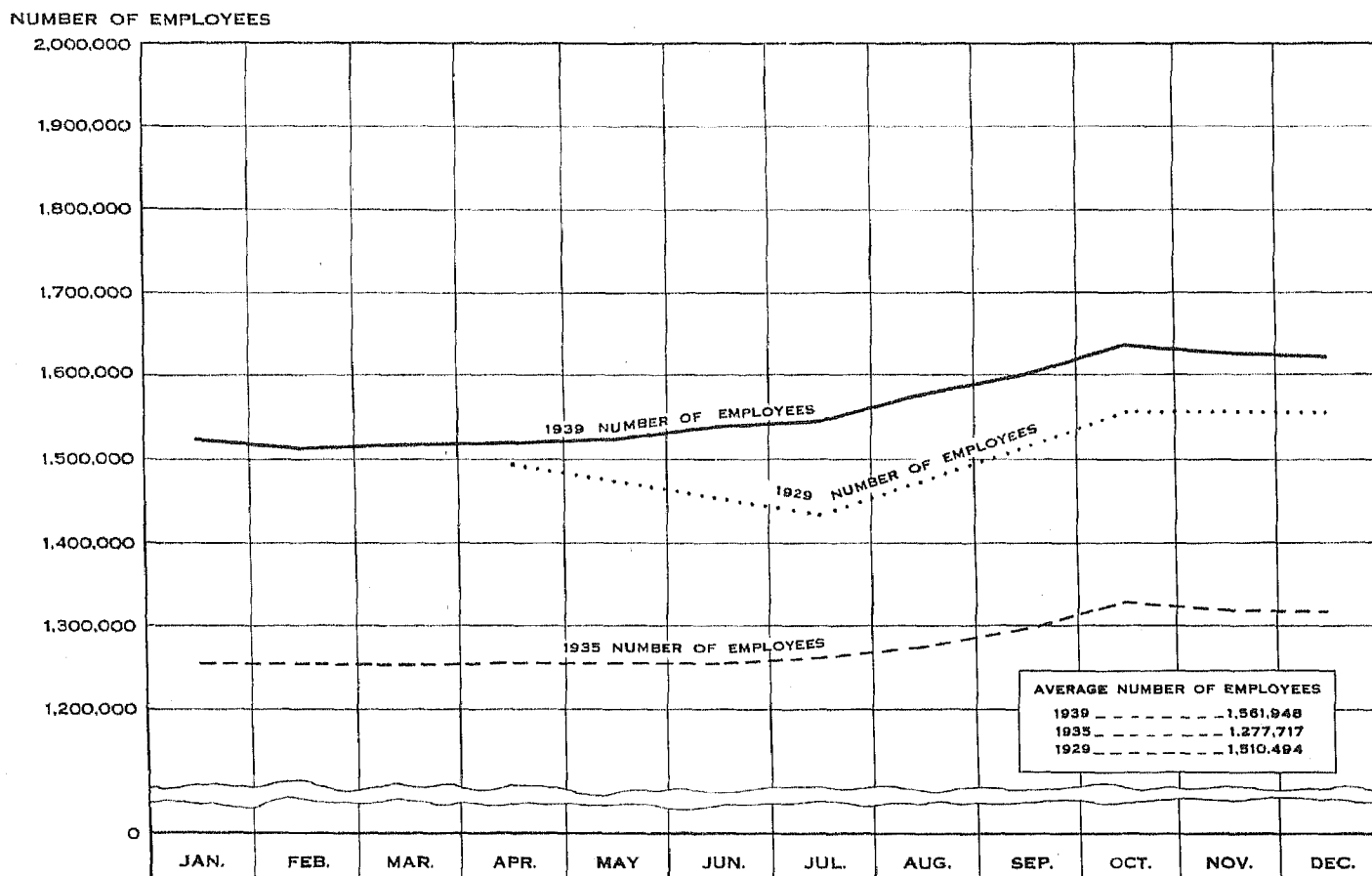
This chapter deals with some special characteristics of wholesale trade. Inasmuch as most of the subjects are treated in detail in separate subject reports, only brief summaries are given here.

Employment and pay roll.—Wholesale trade as a source of employment is depicted in tables 2 and 3, tables which are also available in a separate subject report. Table 2 measures seasonal variation in employment in the various kinds of business of wholesale trade. Data on the number of active proprietors and firm members of unincorporated businesses and on the number of male and female employees are also given. Table 3 presents statistics on employment and pay roll of wholesale establishments for 1 week of 1939, by occupational groups. It provides information for determining earnings for 1 week, of the following classes

of employees: Office and clerical, inside selling, outside selling, warehouse, and other employees.

Monthly employment.—The number of paid employees of wholesale establishments in the United States in 1939 ranged from a low of 1,512,879 in February to a high of 1,634,754 in October, with an average for the year of 1,561,948. Considered seasonally, the number dropped off slightly from January to February, then rose consistently month after month from March through October. Small decreases were again noted in November and December. The total net gain from February through October numbered 121,875 or 7.8 percent of the annual average. The largest increase for any 2 consecutive months was from July to August, with a net gain of 33,653; second in this respect was September-October with 30,541. Each of the

CHART IV.—NUMBER OF EMPLOYEES BY MONTHS: 1939, 1935, AND 1929 *



* DATA AVAILABLE FOR ONLY FOUR MONTHS OF 1929.

first 7 months of the year—January through July—was slightly below average but the last five were above. October was 4.7 percent above the annual average while February was 3.1 percent below. Thus it is seen that, generally speaking, wholesale trade is characterized by regularity in employment.

Although the average number of employees in 1939 was 22.2 percent above 1935, monthly trends for the 2 years were fairly consistent. October was high for both census years, while March was low in 1935 compared with February in 1939. In each year there was a consistent, although small, rise from the low month through October. January through July of each year was below average while August through December was above. Seasonal variations were slightly more pronounced in 1939 than in the earlier census year—the range being from a low of 96.9 to a high of 104.7 in 1939 compared with 98.1 and 104.0 in 1935.

TABLE G.—MONTHLY EMPLOYMENT: 1939, 1935, AND 1929

MONTH	1939	1935 ¹	1929 ²
Average for year.....	1,561,948	1,277,717	1,510,404
January.....	1,524,658	1,255,083	
February.....	1,512,879	1,255,205	
March.....	1,516,043	1,253,240	
April.....	1,517,065	1,255,399	1,495,503
May.....	1,524,615	1,255,799	
June.....	1,530,656	1,255,020	
July.....	1,545,015	1,261,360	1,434,933
August.....	1,578,668	1,270,695	
September.....	1,604,213	1,290,583	
October.....	1,634,754	1,320,105	1,555,773
November.....	1,625,105	1,319,350	
December.....	1,619,767	1,316,863	1,555,773

¹ Includes estimates of employment for commission bulk stations in the petroleum trade.

² Data are available for only 4 months of 1929.

Sex of employees.—Each wholesale establishment was asked to report separately the number of male and female employees for one pay period in October 1939. For purposes of presenting the results the October ratio has been applied to the annual average, thus giving the average number of men and women employed by wholesale establishments. As might be expected, the number of males predominated heavily with 1,260,886 or 80.7 percent of the total. It is interesting to note, however, that women numbered 1 out of every 5 persons engaged in wholesale trade. The sex ratio varied with the kind of business from a low of 5.3 percent women in the petroleum trade to 44.5 percent in the specialty-line drug business. Girls and women accounted for more than one-third of all employees in the amusement and sporting goods, drugs and drug sundries (specialty lines), and jewelry trades. They numbered approximately 1 out of 4 in the chemicals and paints, drugs (general line), dry goods, electrical goods, furniture and housefurnishings, and paper trades. Only in the petroleum business did they account for less than 10 percent of total employment.

The ratio of women to the total number of employees varied from a low of 7.2 percent, or 1 of 14 in Nevada, to a high of 24.9 percent, or 1 of 4 in New York. Girls and women accounted for less than 10 percent of the total in North Dakota, Wyoming, and Nevada, while on the other extreme they represented 20 percent or more in nine States: Massachusetts, New York, Illinois, Missouri, Virginia, North Carolina, Washington, Oregon, and California.

TABLE H.—FEMALE EMPLOYMENT, BY DIVISIONS AND STATES

GEOGRAPHIC DIVISION AND STATE	1939		1935
	Number of employees	Percent women	Percent women
United States total.....	1,561,948	19.3	18.6
NEW ENGLAND.....	94,134	18.4	17.4
Maine.....	7,286	11.9	12.4
New Hampshire.....	2,534	12.6	13.2
Vermont.....	2,354	12.2	11.3
Massachusetts.....	59,155	20.0	18.5
Rhode Island.....	7,430	19.8	16.2
Connecticut.....	15,375	16.4	18.2
MIDDLE ATLANTIC.....	428,388	22.2	20.7
New York.....	292,807	24.9	22.8
New Jersey.....	36,009	14.8	13.3
Pennsylvania.....	98,972	17.1	16.7
EAST NORTH CENTRAL.....	306,291	18.5	17.8
Ohio.....	75,975	17.3	16.7
Indiana.....	28,555	14.2	13.2
Illinois.....	122,741	20.7	19.2
Michigan.....	52,292	18.8	19.5
Wisconsin.....	26,728	15.6	15.6
WEST NORTH CENTRAL.....	166,649	16.8	15.4
Minnesota.....	37,523	17.5	15.8
Iowa.....	24,120	14.4	13.8
Missouri.....	64,373	20.2	18.7
North Dakota.....	5,901	8.6	6.0
South Dakota.....	4,607	12.9	11.5
Nebraska.....	15,038	13.9	14.3
Kansas.....	14,907	11.9	10.0
SOUTH ATLANTIC.....	172,021	19.6	18.9
Delaware.....	2,946	18.3	14.9
Maryland.....	23,533	18.7	19.4
SOUTH ATLANTIC—Continued.			
District of Columbia.....	10,250	14.8	13.8
Virginia.....	28,236	24.2	23.8
West Virginia.....	11,525	12.1	12.0
North Carolina.....	30,347	24.0	21.7
South Carolina.....	8,241	11.9	14.7
Georgia.....	24,501	19.1	19.9
Florida.....	32,442	18.8	16.6
EAST SOUTH CENTRAL.....	63,900	14.4	14.9
Kentucky.....	19,400	14.6	16.4
Tennessee.....	23,171	15.1	14.7
Alabama.....	11,202	13.2	13.7
Mississippi.....	7,028	14.1	12.5
WEST SOUTH CENTRAL.....	111,952	12.9	14.3
Arkansas.....	7,800	10.6	9.0
Louisiana.....	24,024	14.0	14.9
Oklahoma.....	15,559	10.3	11.0
Texas.....	64,479	13.3	15.7
MOUNTAIN.....	37,467	14.3	13.8
Montana.....	4,132	11.9	12.4
Idaho.....	4,695	15.7	14.0
Wyoming.....	1,210	9.6	9.4
Colorado.....	13,675	16.9	16.2
New Mexico.....	2,463	10.4	9.6
Arizona.....	3,854	10.6	9.2
Utah.....	6,705	14.9	15.1
Nevada.....	733	7.2	8.3
PACIFIC.....	181,146	22.7	22.3
Washington.....	27,425	23.2	25.6
Oregon.....	15,443	21.3	22.0
California.....	138,278	22.8	21.6

Compared with 1935, the female ratio increased in seven of the nine geographic divisions, exceptions being in the East and West South Central sections. Considered by States, the female ratio increased in 29 of the 48 States and also in the District of Columbia, but decreased in 18 States. Wisconsin remained the same for the 2 years.

Employment and pay roll for 1 week.—Each establishment was asked to report in connection with the 1939 census the actual employment and pay roll for the week ended October 21, 1939, or in the case of highly seasonal businesses for a week of normal employment during the active season. Respondents were requested to classify employees during the week by occupational groups—as executives, office and clerical employees, salesmen, warehousemen, etc.—and to report the number and pay roll for the week of full-time and part-time employees separately for each classification.

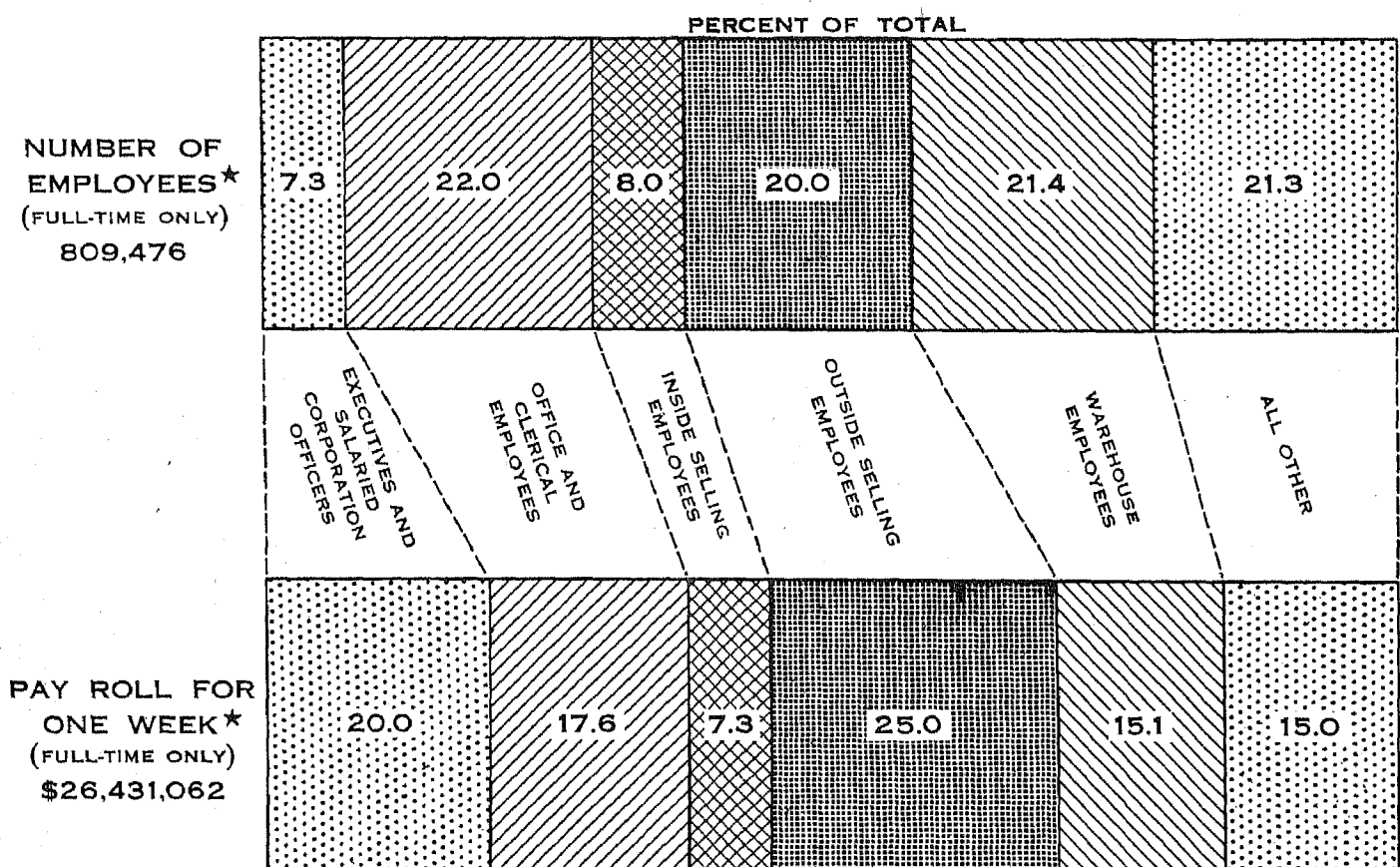
The classification of employees by occupational groups was not always clear-cut nor absolute. The duties of many workers are varied and often overlap occupational groupings. Respondents were instructed to classify each employee according to the group that consumed the major portion of his time during the week and to enter the entire week's pay roll under the

same classification; hence an employee is included in one group only.

Another difficulty in obtaining uniformity in reporting was that the occupational groups did not provide to the same degree in different types of operation and kinds of business a natural basis for classifying employees. The majority (78.8 percent) of the personnel of assemblers of farm products, for example, was reported as "other." Slightly more than one-third (35.8 percent) of employees of agents and brokers and one-fourth (27.1 percent) of those of petroleum bulk stations and terminals were considered as belonging in the miscellaneous group. In view of these difficulties no totals are presented in the tables for all types of operation combined.

The information on employment and pay roll for the week does not include all establishments having paid employees. Some respondents failed to answer the inquiry and in other cases, particularly if only one or two persons were engaged, the information for the week had to be deleted from tabulations because of its unsatisfactory character. The table indicates for each classification the number and sales of the establishments analyzed. A measure of coverage may be had by comparing establishments and sales as given in

CHART V.—EMPLOYEES AND PAY ROLL BY OCCUPATIONAL GROUPS
SERVICE AND LIMITED-FUNCTION WHOLESALERS ONLY



* FIGURES ARE FOR WEEK ENDED OCTOBER 21, 1939, OR OTHER REPRESENTATIVE WEEK

table 3 with corresponding columns of table 1, as the latter table includes all wholesale establishments.

Another measure of coverage in table 3 is found in the comparison of the total number of full-time and part-time combined, table 3, with the average number of employees as shown in table 1. For nearly all classifications the analysis is more than 75 percent complete.

TABLE I.—EMPLOYEES AND PAY ROLL BY OCCUPATIONAL GROUPS
[Service and limited-function wholesalers only]

OCCUPATIONAL GROUP	EMPLOYEES (FULL-TIME ONLY)		PAY ROLL FOR 1 WEEK (FULL-TIME ONLY)	
	Number	Percent of total	Amount	Percent of total
United States total.....	809,476	100.0	\$26,431,062	100.0
Executives and salaried corporation officers.....	50,031	7.3	5,288,074	20.0
Office and clerical employees.....	177,811	22.0	4,604,977	17.6
Inside selling employees.....	64,507	8.0	1,920,990	7.3
Outside selling employees.....	161,846	20.0	6,610,727	25.0
Warehouse employees.....	173,385	21.4	3,995,030	15.1
All other.....	172,806	21.3	3,951,264	15.0

Employment in wholesale trade is characteristically full-time. Of the 846,897 employees of service and limited-function wholesalers that were reported for the week, 809,476, or 95.6 percent, were engaged the full number of hours of the workweek. Less than 5 percent were engaged only part time. Part-time employment was even smaller for manufacturers' sales branches (with stocks) and manufacturers' sales offices (without stocks), representing only 3.1 percent and 2.1 percent of the total, respectively. As might be expected, part-time employment is highest for assemblers of farm products with 33.8 percent, or 1 of 3, followed by agents and brokers with 16.5 percent, or 1 of 6 employees. Petroleum bulk stations and terminals provided full-time employment for 94.8 percent of their personnel.

Further evidence of the importance of full-time employment is found in the analysis of pay roll. Only in the case of assemblers of farm products did the salaries and wages of part-time employees amount to more than 5 percent of total pay roll. For this type of operation, part-time employees accounted for 33.8 percent of the

TABLE J.—FULL-TIME AND PART-TIME EMPLOYEES, BY TYPES
OF OPERATION

[Figures for most part are for week ended Oct. 21, 1939]

TYPE OF OPERATION	NUMBER OF EM- PLOYEES			PAY ROLL		
	Full- time	Part- time	Per- cent part- time	Full-time	Part- time	Per- cent part- time
Service and limited-function wholesalers.....	809,476	37,421	4.4	\$26,431,062	\$397,315	1.5
Manufacturers' sales branches (with stocks).....	236,471	7,514	3.1	9,423,217	120,123	1.3
Manufacturers' sales offices (without stocks).....	43,555	932	2.1	2,361,022	14,533	.6
Petroleum bulk stations and terminals.....	64,022	3,535	5.2	2,256,195	52,960	2.3
Agents and brokers.....	65,547	12,935	16.5	2,411,179	117,015	4.6
Assemblers (mainly farm prod- ucts).....	104,726	63,405	33.8	2,102,554	640,199	23.3

total number and received 23.3 percent of all salaries and wages. While they accounted for 16.5 percent of all employees of agents and brokers, they received only 4.6 percent of the pay roll.

Employment and pay-roll data were also obtained in connection with the 1935 census for 1 week of that year—the week ended October 26, for the most part—hence 1939 and 1935 comparisons can be made. Instructions to respondents regarding the division of employees into full-time and part-time differed slightly between the two census years but the distinction seems to have had little effect upon reporting, possibly because part-time employment is not a significant factor in most wholesale trades. Part-time employees were defined for purposes of the 1939 census as “those who work less hours than the full workweek”; all others were considered as full-time. In 1935, part-time was defined as “persons employed less than 4 hours per day or for less than three full days per week.” Full-time were those “regularly engaged for work for four or more hours per day or for more than three full days per week.”

In spite of the slight change in definition of terms which would tend to cause more employees to be reported as part-time in 1939, full-time, for service and limited-function wholesalers, increased from 93.0 percent of the total number in 1935 to 95.6 percent in 1939. Other types of operation for which comparisons can be made show a slight relative drop in full-time employment, but in each case the decline was less than 2 percent.

TABLE K.—FULL-TIME AND PART-TIME EMPLOYEES, 1939 AND
1935, EXPRESSED AS PERCENTAGES OF TOTALS FOR TYPES OF
OPERATION

TYPE OF OPERATION	1939			1935		
	Total	Full- time	Part- time	Total	Full- time	Part- time
Service and limited-function whole- salers.....	100.0	95.6	4.4	100.0	93.0	7.0
Manufacturers' sales branches (with stocks).....	100.0	96.9	3.1	100.0	97.4	2.6
Manufacturers' sales offices (without stocks).....	100.0	97.9	2.1	100.0	98.4	1.6
Petroleum bulk stations and termi- nals.....	100.0	94.8	5.2	100.0	95.9	4.1
Agents and brokers.....	100.0	83.5	16.5	100.0	84.2	15.8
Assemblers (mainly farm products).....	100.0	66.2	33.8	(1)	(1)	(1)

¹ Not available.

Average weekly wages.—Except for executives and salaried corporation officers who normally are not paid on a weekly or biweekly basis, sales personnel, particularly outside salesmen, constitute the highest paid group. Outside selling employees of service and limited-function wholesalers received \$40.85 during the week, on the average. Those employed by manufacturers' sales branches received \$51.47, and those by manufacturers' sales offices \$65.24.

Office and clerical employees as a rule are higher paid than warehousemen or “other” employees. As might be expected, wages of other employees, because of the variety of their duties, differ greatly by types of oper-

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ation. In general, the various classes of employees of manufacturers' sales offices (without stocks) and of manufacturers' sales branches (with stocks) are higher paid than those of other types of operation. Agents and brokers and petroleum bulk stations pay their office employees more on the average than do service and limited-function wholesalers, while assemblers of farm products pay slightly less.

As shown in the accompanying text table L, average weekly wages for full-time employees were generally higher in 1939 than in 1935. In the case of service and limited-function wholesalers, average pay of office and clerical employees increased from \$24.67 to \$26.24 per week; inside salesmen from \$27.90 to \$29.74; outside salesmen from \$38.52 to \$40.85; and of warehousemen from \$20.95 to \$23.04. Average pay of "other" employees increased from \$20.66 in 1935 to \$22.87 in 1939.

Sales-size groups.—Wholesale merchants and, for trades in which they appear, industrial distributors are analyzed by sales-size groups in table 4. These two types of operation maintained 92,794 places of business in the United States in 1939. Of this number 3,154, or 3.4 percent, each reported sales of a million dollars or more during the year. Total sales of these million-dollar houses amounted to \$7,817,324,000, which was 40.3 percent of the dollar volume for all wholesale

TABLE L.—AVERAGE WEEKLY EARNINGS OF FULL-TIME EMPLOYEES—OCCUPATIONAL GROUPS, BY TYPES OF OPERATION: 1939 AND 1935

TYPE OF OPERATION	Office and clerical employees	SALESMEN		Warehousemen	Other employees
		Inside	Outside		
Service and limited-function wholesalers:					
1939.....	\$26.24	\$29.74	\$40.85	\$23.04	\$22.87
1935.....	24.67	27.90	38.52	20.95	20.66
Manufacturers' sales branches (with stocks):					
1939.....	30.44	44.91	51.47	27.06	30.95
1935.....	29.02	42.34	48.93	25.17	27.51
Manufacturers' sales offices (without stocks):					
1939.....	34.11	51.53	65.24	(1)	31.11
1935.....	31.53	44.00	59.35	(1)	30.41
Petroleum bulk stations and terminals, 1939.....	30.16	43.90		33.18	30.46
Agents and brokers, 1939.....	29.84	51.15		(1)	16.69
Assemblers (mainly farm products), 1939.....	26.05	26.46		(1)	17.43

¹ Warehouse employees, if any, combined with "other."

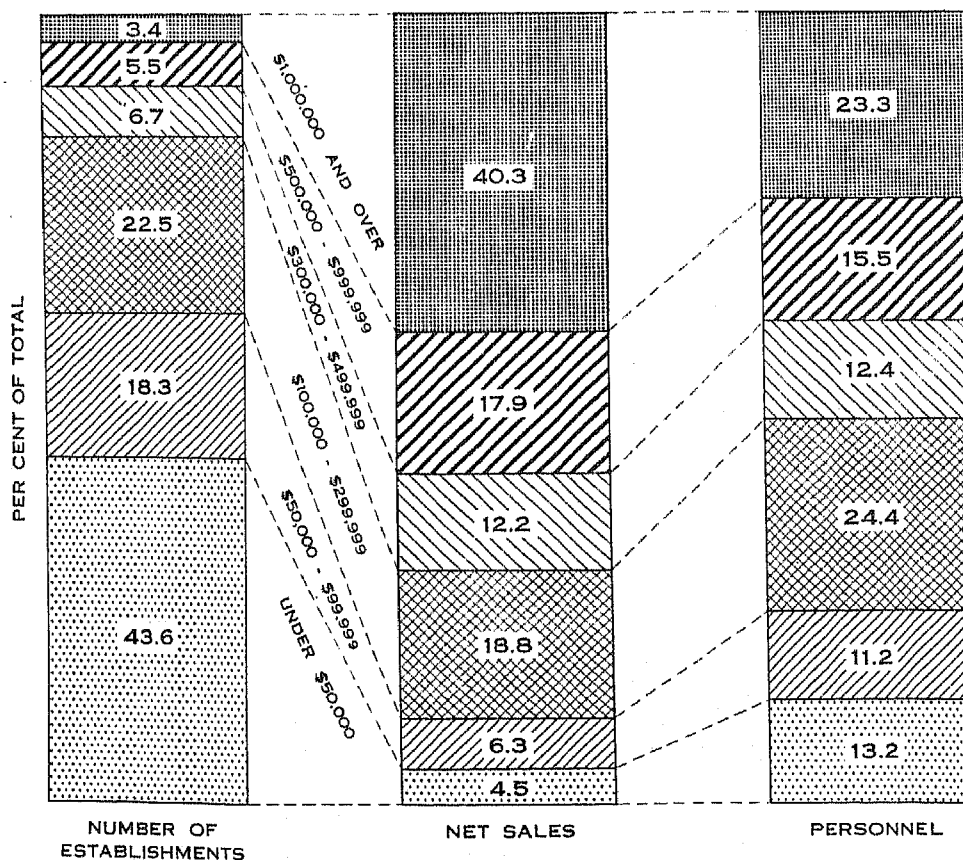
² Truck operators and chauffeurs.

³ Buying and selling employees.

merchants and industrial distributors. In contrast 40,484 establishments—more than two-fifths of the total number—each reported sales of less than \$50,000 for the year, but their combined total dollar volume represented only 4.5 percent of total net sales. The million-dollar establishments provided employment for 212,700 persons, 23.3 percent of the total, while personnel of the less-than-\$50,000 establishments numbered 120,245, or 13.2 percent of the total.

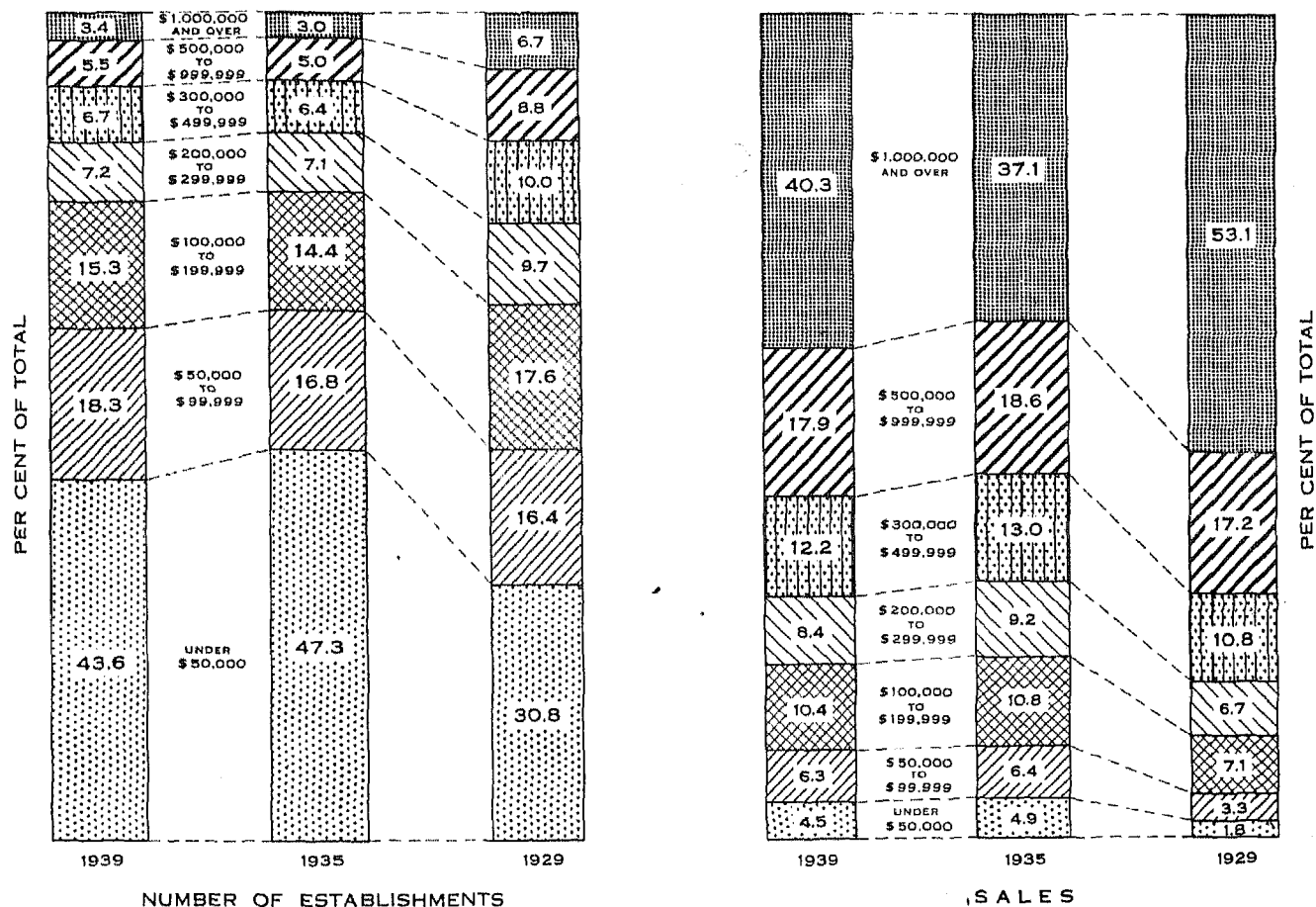
WHOLESALE MERCHANTS AND INDUSTRIAL DISTRIBUTORS: 1939

CHART VI.—NUMBER OF ESTABLISHMENTS, SALES, AND PERSONNEL, BY BUSINESS-SIZE GROUPS



WHOLESALE MERCHANTS AND INDUSTRIAL DISTRIBUTORS: 1939

CHART VII.—NUMBER OF ESTABLISHMENTS AND SALES, BY BUSINESS-SIZE GROUPS: 1939, 1935, AND 1929



Stated differently, the million-dollar establishments contributed only 3.4 percent of the number of houses, but 40.3 percent of sales, and 23.3 percent of the personnel; while the less-than-\$50,000 accounted for 43.6 percent of the houses, but only 4.5 percent of sales and 13.2 percent of the personnel.

Houses with sales of \$500,000–\$999,999 accounted for 5.5 percent of the total number of establishments, contributed 17.9 percent of sales, and employed 15.5 percent of the total personnel; those with sales of \$300,000–\$499,999 contributed 6.7 percent of the establishments, 12.2 percent of sales, and 12.4 percent of personnel; and those in the \$100,000–\$299,999 bracket, 22.5 percent of the establishments, 18.8 percent of sales, and 24.4 percent of the personnel.

Comparative summary by size: 1939, 1935, and 1929.—Chart VII compares number of establishments and sales by size brackets for the years 1939, 1935, and 1929. The total number of wholesale merchants and industrial distributors increased from 76,590 in 1929 to 79,333 in 1935, and to 92,794 in the most recent census. The number of establishments in the upper brackets—brackets with the larger dollar volume of sales—decreased between 1929 and 1935, and then increased

from 1935 to 1939. For example, 6.7 percent of all houses were in the million-dollar class in 1929, compared with only 3.0 percent in 1935 and 3.4 percent in 1939. Likewise, the number with sales from \$500,000–\$999,999 dropped from 8.8 percent of the total in 1929 to 5.0 percent in 1935 and then rose to 5.5 percent in 1939. The number of establishments with sales of less than \$50,000, on the other hand, increased in terms of the total from 30.8 percent in the first census to 47.3 percent in 1935, then decreased to 43.6 percent in 1939.

In evaluating shifts among size brackets from one census to another it should be remembered that no account is taken here of changes in the general price level. Sales are in terms of the dollar volume and each establishment is classified by size according to its business during the census year.

Although establishments in the million-dollar-and-over size bracket accounted for a very large portion of the total dollar volume, this portion appears not to have increased during the past decade. Comparisons are qualified by the fact that allowances cannot be made for changes in the price level, which resulted in many establishments shifting from one size bracket to another; but the portion of total sales accounted for by

CENSUS OF BUSINESS

the million-dollar houses dropped from 53.1 percent in 1929 to 37.1 percent in 1935, then rose to 40.3 percent. Sales for the \$500,000-\$999,999 bracket increased from 17.2 percent of the total dollar volume in 1929 to 18.6 percent in 1935, and then dropped to 17.9 percent in 1939. On the other extreme, sales of the less-than-\$50,000 houses increased from 1.8 percent of the total in 1929 to 4.9 percent in 1935, then dropped to 4.5 percent in 1939.

Expense ratio decreases as size increases.—One of the most significant analyses made possible by table 4 is a study of total operating expenses in relation to dollar volume of sales. In general, operating expenses per dollar of sales decrease as annual sales increase. As shown in the accompanying table, total expenses of the under-\$50,000 houses amounted to 21.7 percent of sales, the highest ratio of all size brackets in 1939. From the high of 21.7 percent the expense ratio decreased con-

sistently with an increase in size to 8.9 percent for the \$2,000,000-and-over establishments. Expenses for all size brackets averaged 13.7 percent of sales.

TABLE M.—NUMBER OF ESTABLISHMENTS, SALES, AND TOTAL OPERATING EXPENSES, BY BUSINESS-SIZE GROUPS: 1939

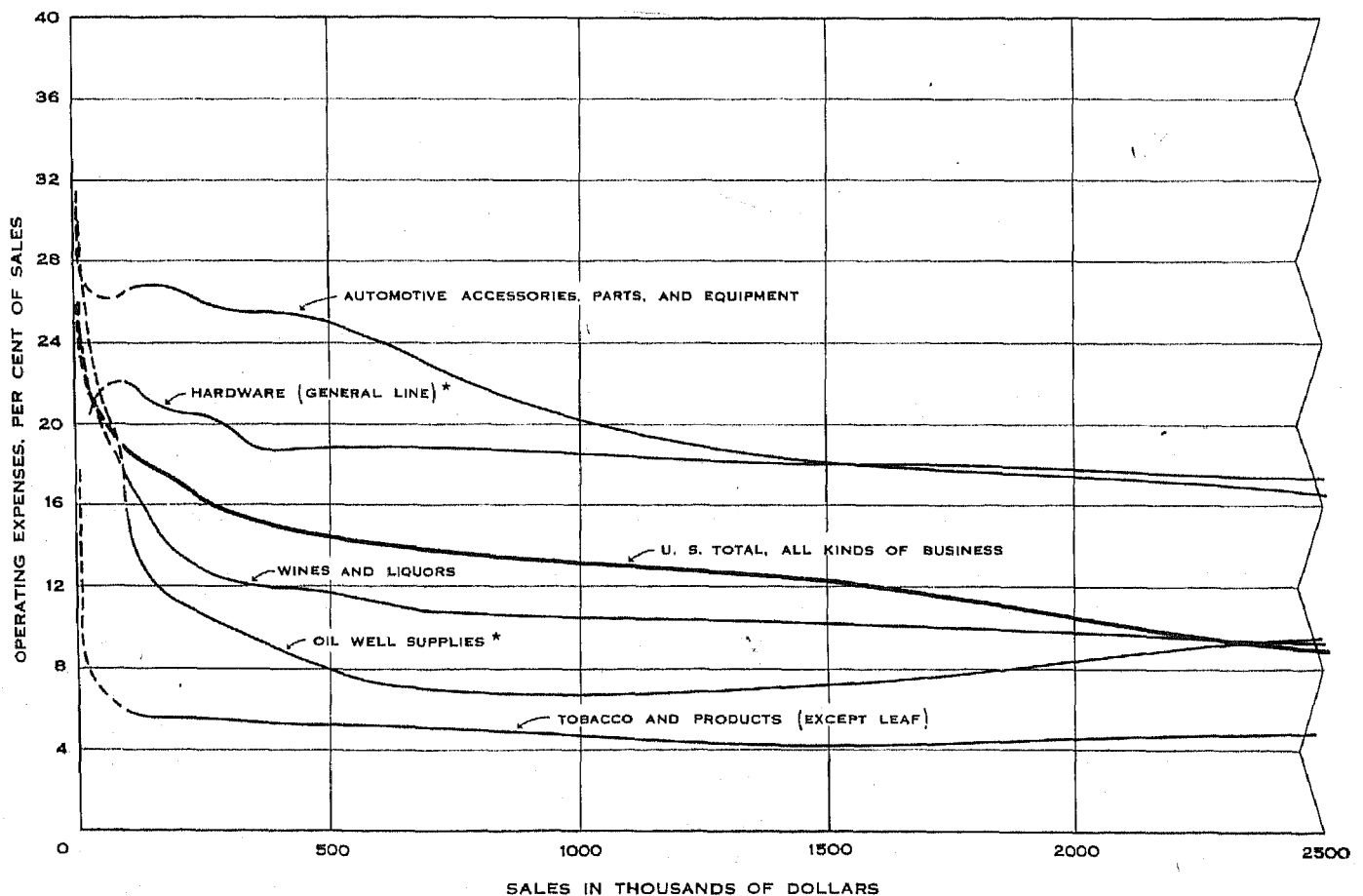
[Wholesale merchants and industrial distributors]

BUSINESS-SIZE GROUPS (SIZE BASED UPON 1939 SALES)	Number of establishments	Net sales	TOTAL OPERATING EXPENSES	
			Amount	Percent of sales
United States total.....	92,794	\$19,418,547,000	\$2,662,646,000	13.7
\$2,000,000 and over.....	1,102	5,025,212,000	445,878,000	8.9
\$1,000,000-\$1,999,999.....	2,052	2,792,112,000	344,558,000	12.3
\$500,000-\$999,999.....	5,047	3,482,371,000	470,112,000	13.5
\$300,000-\$499,999.....	6,195	2,376,089,000	353,220,000	14.9
\$200,000-\$299,999.....	6,717	1,641,459,000	264,246,000	16.1
\$100,000-\$199,999.....	14,226	2,017,339,000	361,367,000	17.9
\$50,000-\$99,999.....	16,971	1,213,777,000	234,397,000	19.3
Under \$50,000.....	40,484	869,288,000	188,750,000	21.7

While it is true in general that expenses per dollar of sales decrease as size increases, the rule does not hold

WHOLESALE MERCHANTS: 1939

CHART VIII.—RATIO OF OPERATING EXPENSES TO NET SALES, BY BUSINESS-SIZE GROUPS



* INCLUDES HARDWARE WHOLESALE HANDLING MINE AND MILL SUPPLIES

good for all kinds of business. In the tobacco trade, for example, the lowest expense ratio appears in the \$1,000,-000-\$1,999,999 bracket and for oil-well supply houses, the \$500,000-\$999,999 bracket is lowest. Eliminating establishments with sales of less than \$50,000; a study of table 4 for the country as a whole shows that of the 172 kinds of business into which all wholesale merchants and industrial distributors are classified, expense ratios for 85 decline rather consistently as size increases. For 52 kinds of business the ratio seems indifferent to size and for 18 trades the lowest ratio is found in one of the medium-size brackets. Due to the small number of establishments involved, no definite trend could be determined for 17 kinds of business.

In studying the influence of size upon costs, it should be remembered that other factors affect expenses such as location of establishment, lines of merchandise handled, services performed, customers served, sales area covered, credit policy, legal form of organization, and the like. Effects of these various factors may tend to offset one another in trades where the number of establishments is large. The influence of any one or more of them may become apparent, however, in individual instances. For example, operating expenses of establishments in the smallest size bracket frequently are lower per dollar of sales than for those with a slightly larger dollar volume of business. This may be explained in part by the inclusion of a relatively large number of proprietor-owned establishments in the smaller brackets, as operating expenses do not include allowances for the services of active proprietors of unincorporated businesses.

Analysis of operating expenses.—Table 5 analyzes total operating expenses by functional divisions for the various kinds of business into which wholesale merchants and industrial distributors are classified. Total expenses for each kind of business are analyzed to show administrative, selling, delivery, warehouse, occupancy, and "other" expenses separately. The analysis is limited to establishments whose sales during 1939 amounted to \$100,000 or more.

As an aid to an understanding of costs by size of house, total expenses for a number of kinds of business are analyzed by size brackets. For 28 kinds of business the following size-bracket analysis is given:

\$100,000-\$199,999.
 \$200,000-\$299,999.
 \$300,000-\$499,999.
 \$500,000-\$999,999.
 \$1,000,000-\$1,999,999.
 \$2,000,000 or more.

For other trades it was necessary to telescope size brackets or to eliminate the size analysis entirely.

Tobacco trade analyzed.—An analysis of expenses carries significance when considered in connection with a given kind of business. To illustrate the use of table 5, the tobacco trade is selected and the results are pre-

sented graphically in chart IX. Of the 1,730 tobacco wholesalers with sales for the year 1939 amounting to \$100,000 or more, 1,090 analyzed their expenses to show administrative, selling, delivery, occupancy, warehouse, and "other" expenses separately. Sales of these 1,090 establishments totaled \$723,441,000 for the year, and their operating expenses amounted to \$35,783,596, or 4.9 percent of sales. Stated differently, it cost tobacco distributors \$4.90, on the average, to market a representative bill of goods amounting to \$100. The \$4.90 was divided as follows: \$1.30 for administrative, \$1.60 for selling, 70 cents for delivery, 40 cents for warehousing, 60 cents for occupancy charges, and 30 cents to cover miscellaneous expenses.

The 1,090 tobacco wholesalers were classified by size groups as follows: 61 with sales of \$2,000,000 and over; 128 in the second size bracket (\$1,000,000-\$1,999,999); 266 in the third (\$500,000-\$999,999); 204 in the fourth (\$300,000-\$499,999); 202 in the fifth (\$200,000-\$299,999); and 229 in the \$100,000-\$199,999 group. The expense ratio was lowest, 4.4 percent, in the \$1,000,000-\$1,999,999 bracket, and highest, 6.1 percent, in the \$100,000-\$199,999 group. Except for the largest size bracket, expenses decreased with an increase in size. Principal economies resulting from larger size are found in lower administrative, selling, delivery, and occupancy expenses. Warehousing and miscellaneous expenses remained fairly constant for all size brackets. Expenses per dollar of sales were higher for the \$2,000,000-and-over bracket than in the \$1,000,000-\$1,999,999 group. The increase appeared for the most part in selling costs which rose from \$1.40 to \$1.70 per \$100 of sales. Selling expenses consist for the most part of salesmen's salaries and advertising.

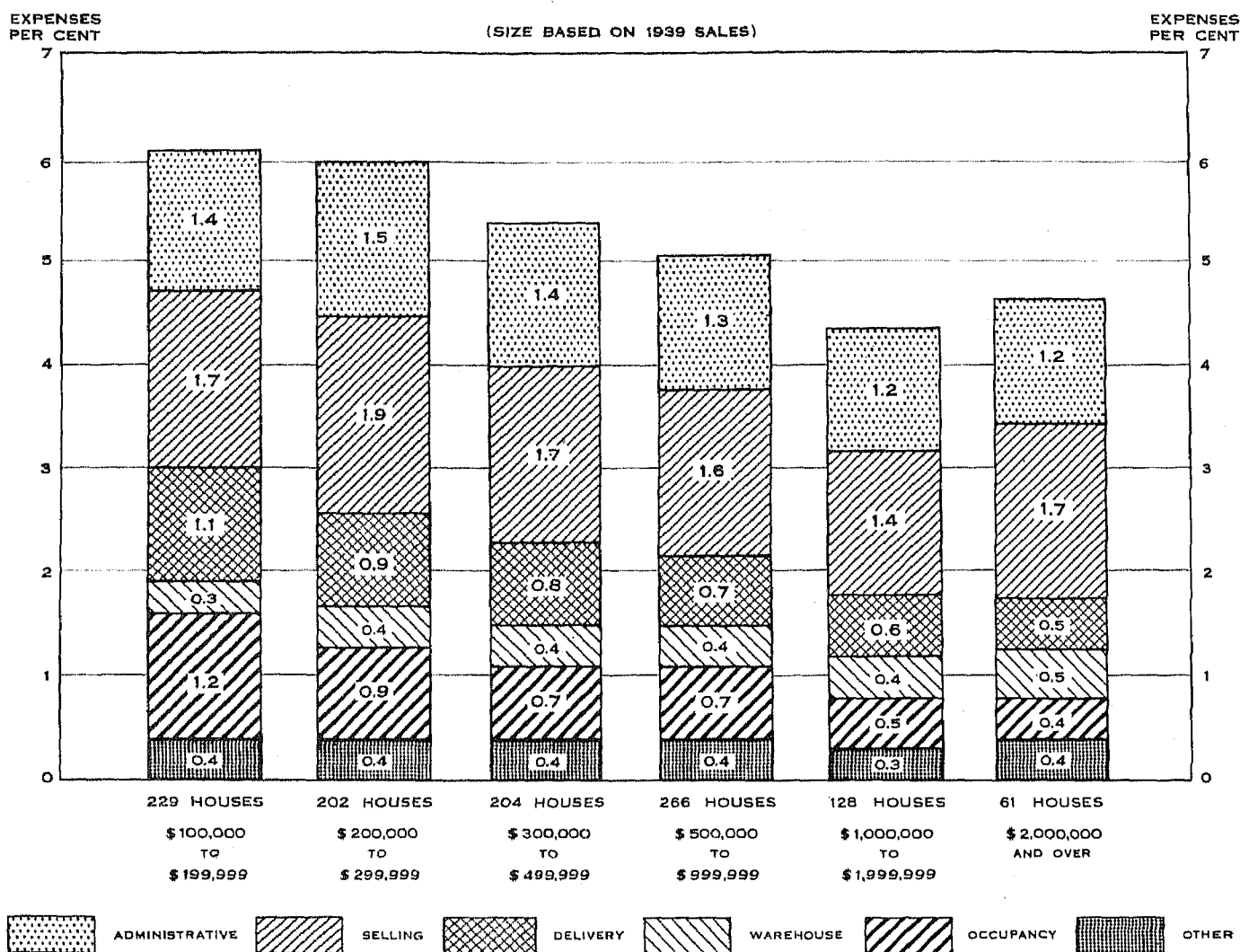
Cash-credit analysis of sales.—In table 6A, 1939 sales of service and limited-function wholesalers, and of manufacturers' sales branches, are analyzed to show cash business separate from credit, and of the credit business how much was for a term of 10 days or less, for 11 to 30 days, and for more than 30 days. Not all establishments analyzed their sales on a cash-credit basis. Of the 101,627 service and limited-function wholesalers, 90,913 with sales of \$20,803,501,000, or 88.0 percent of the total volume, reported a cash-credit break-down. Likewise, 10,880 of the 12,977 manufacturers' sales branches analyzed their sales to show cash and credit business separately. Sales of these 10,880 branches amounted to \$7,639,086,000, or 86.3 percent of the total for all sales branches.

Almost one-fourth (22.5 percent) of the sales of service and limited-function wholesalers was on a cash or c. o. d. basis; credit was extended on 77.5 percent of the business. Collections on the 77.5 percent were made as follows: 16.9 percent in 10 days or less; 33.7 percent in 11 to 30 days; while credit was extended for a period of more than 30 days on 26.9 percent of all sales. Credit for a period of 11 days or more was extended on three-

CENSUS OF BUSINESS

WHOLESALE MERCHANTS: 1939

CHART IX.—AN ANALYSIS OF EXPENSES OF 1090 TOBACCO WHOLESALESA BY BUSINESS-SIZE GROUPS



fifths (60.6 percent) of all business of service and limited-function wholesalers.

Over 90 percent of the business of manufacturers' sales branches was credit. On only 8.3 percent of the total was cash received at the time of sale. It is interesting to note that on the other extreme the percentage of total business done on credit for more than 30 days is approximately the same for manufacturers' sales branches as for service and limited-function wholesalers, 26.3 percent and 26.9 percent, respectively.

TABLE N.—SUMMARY OF CASH-CREDIT ANALYSIS OF SALES BY TYPES OF OPERATION

TYPE OF OPERATION	Total sales analyzed	Percent spot cash	PERCENT CREDIT		
			10 days or less	11 to 30 days	More than 30 days
Service and limited-function wholesalers	\$20,803,501,000	22.5	10.9	33.7	26.9
Manufacturers' sales branches (with stocks)	7,639,086,000	8.3	26.3	39.1	26.3

Manufacturers extended credit for a period of not more than 30 days on almost two-thirds (65.4 percent) of all sales made through their sales branches.

Considerable variation is found in the cash-credit ratios for the various kinds of business into which service and limited-function wholesalers are classified. Cash business ranged from a high of 91.7 percent of the total dollar volume for the grain trade to a low of 0.3 percent for merchants of raw silk. Of the 176 kinds of business into which all wholesalers are classified, 34 show less than 5 percent cash at the time of sale. Forty-eight trades reported cash business ranging from 5 to 10 percent of their total volume; 50 trades from 10 to 20 percent; 21 from 20 to 30 percent; while 23 show a cash ratio of 30 percent or more. As a rule, the portion of the total business done on a cash basis is high in the automotive, beer, farm products and farm supplies trades, and in the tobacco business. It is low in such trades as clothing, coal, dry goods, furniture, hardware, lumber and construction materials, and industrial supplies.

A high percentage of credit extended for more than 30 days, on the other hand, is found in the clothing business, dry goods, furniture, hardware, and jewelry. It is interesting to note that long-term credit extension represents a larger portion of sales in the durable consumer goods trades than for such industrial goods as chemicals, hardware, machinery—equipment—supplies, metals, and plumbing and heating.

Credit of not more than 10 days prevails in such kinds of business as breakfast foods, fresh fruits, retailer-cooperative grocery warehouses, and for frozen fruits and vegetables. Credit of 11 to 30 days predominates for bicycles and supplies, sporting goods, automotive parts, chemicals, coal and coke, drugs, radios, some of the building materials and machinery trades, printing and writing paper, and optical goods.

Chart X presents graphically a cash-credit analysis—cash business, credit of 30 days or less, and credit of more than 30 days—for a number of selected kinds of business of service and limited-function wholesalers. The trades are arranged in descending order of percentage of sales on a cash basis.

Receivables.—Service and limited-function wholesalers and also manufacturers' sales branches were asked to report to the 1939 Census of Business their beginning- and end-of-year receivables (notes and accounts from trade customers) arising from the sale of merchandise and carried on the books of the reporting establishment, including any that may have been pledged as collateral for loans. Notes and accounts sold to finance companies and to banks were to be omitted even though they may have been sold "with recourse." The results of this inquiry along with data on beginning- and end-of-year inventories are given in table 6B. Of the 101,627 establishments of service and limited-function wholesalers in the United States in 1939, data on receivables as of December 31, 1939, were reported by 71,866, of whom 62,878 also reported this item of information for both beginning and end of the year. Likewise, 9,522 of the 12,977 sales branches of manufacturers reported end-of-year receivables and 8,883 reported both beginning- and end-of-year receivables.

Receivables as of December 31, 1939, for the two types of operation covered in this study were valued at \$3,094,800,000. Of this amount, service and limited-function wholesalers carried \$2,211,656,000, equivalent to 10.8 percent of the 1939 sales of reporting establishments, or 5½ weeks' business. Manufacturers' sales branches carried \$883,144,000 in receivables, equivalent to sales for more than 6 weeks, on the average. As shown in text table O, receivables as of December 31, 1939, for service and limited-function wholesalers ranged from a low of 5.3 percent of sales in the farm products—consumer goods—trade to a high of 30.3 percent, or almost 4 months' sales, in the jewelry trade. For manufacturers' sales branches, groceries and food

specialties was low at 4.9 percent and machinery—equipment—supplies was high at 33.2 percent of 1939 sales.

A close relationship exists between credit policy or credit extension and receivables. Long-term credit may be associated with a high ratio of receivables to sales, while short-term credit results in a small volume of notes and accounts. Direct comparisons between credit as presented in table 6A and receivables in 6B, however, are qualified by the fact that the full length of the credit period may not be apparent from the former table. Furthermore, any receivables sold to banks or finance companies would not be included in table 6B. This latter table provides a measure of the extent to which wholesale establishments finance their customers.

End-of-year receivables of service and limited-function wholesalers were valued 8.8 percent higher than at the beginning of the year, while those carried by manufacturers' sales branches were up 7.6 percent. These increases may not necessarily indicate slower collections in 1939. On the contrary, they probably reflect a larger sales volume in the closing weeks of 1939 than during the comparable period of 1938.

TABLE O.—RECEIVABLES-SALES RATIOS, AND PERCENTAGE INCREASE IN RECEIVABLES FROM BEGINNING TO END OF YEAR—TYPES OF OPERATION BY KINDS OF BUSINESS

KIND OF BUSINESS	RECEIVABLES-SALES RATIOS ¹		PERCENTAGE INCREASE IN RECEIVABLES ²	
	Type 1	Type 2	Type 1	Type 2
United States total.....	10.8	12.2	8.8	7.6
Amusement and sporting goods.....	14.8	8.4	7.2	12.7
Automotive.....	6.8	12.3	14.2	10.2
Beer, wines, and liquors.....	10.1	21.4	6.3	3.5
Chemicals and paints.....	12.2	12.6	11.4	14.9
Clothing and furnishings.....	14.6	15.7	6.1	6.5
Coal and coke.....	16.1	.....	2.1	.....
Drugs (general line).....	11.8	.....	—7	.....
Drugs and drug sundries (specialty lines).....	11.1	15.1	3.4	8.7
Dry goods (general line).....	20.2	.....	8.8	.....
Dry goods (specialty lines).....	13.2	12.6	11.3	15.9
Electrical goods.....	13.3	11.9	17.7	24.5
Farm products—raw materials.....	6.8	.....	10.7	.....
Farm products—consumer goods.....	5.3	4.5	1.8	10.5
Farm supplies.....	9.5	14.8	9.1	20.7
Furniture and house furnishings.....	17.4	20.3	12.5	6.5
Groceries (general line).....	7.6	.....	2.1	.....
Groceries and foods (specialty lines).....	7.8	4.9	3.2	5
Hardware.....	15.2	13.9	7.8	30.2
Jewelry.....	30.3	.....	16.9	.....
Lumber and construction materials.....	14.9	11.4	11.4	17.8
Machinery—equipment—supplies.....	20.0	33.2	9.5	2.0
Metals and metal work (except scrap).....	11.6	11.6	14.8	20.2
Paper and its products.....	14.7	15.1	12.7	5.7
Petroleum and its products.....	9.8	10.0	—8.4	18.2
Plumbing and heating equipment and supplies.....	15.8	11.7	12.9	14.0
Tobacco and products (except leaf).....	5.8	5.2	6.4	—2.0
Waste materials.....	8.4	.....	20.7	.....
All other products.....	10.4	14.9	12.1	7.8

¹ End-of-year receivables divided by 1939 sales.

² Increase in end-of-year over beginning-of-year receivables.

Type 1.—Service and limited-function wholesalers.

Type 2.—Manufacturers' sales branches.

(—) Decrease.

Sales by classes of customers.—Each wholesale establishment in the United States was asked to analyze its business and to report separately in connection with the 1939 census: Sales to retailers for resale; to household consumers, and others who buy at retail; to industrial, professional, and institutional users (concerns

Chart X.— Cash-Credit Sales Ratios for Selected Kinds of Business
(Service and limited-function wholesalers)

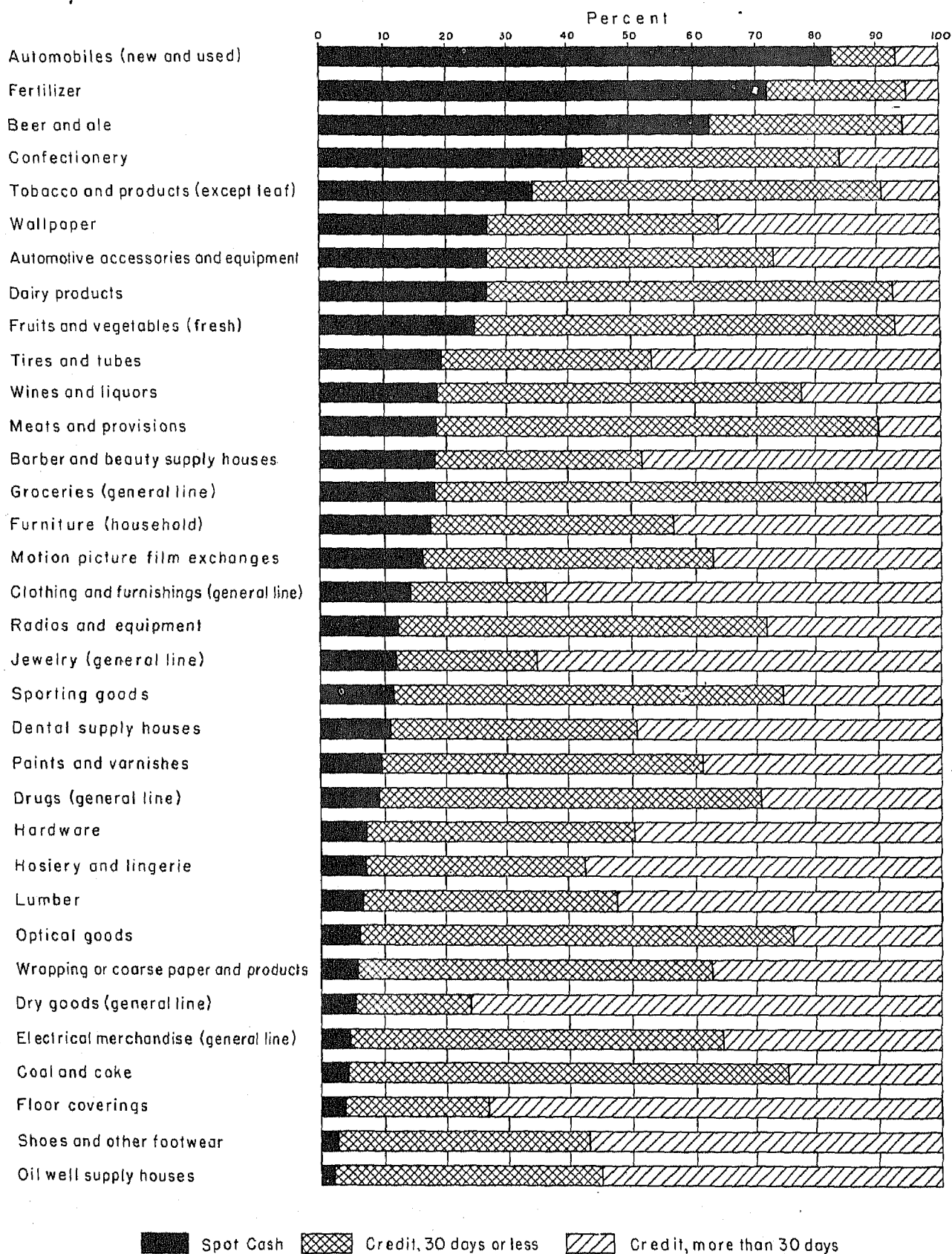
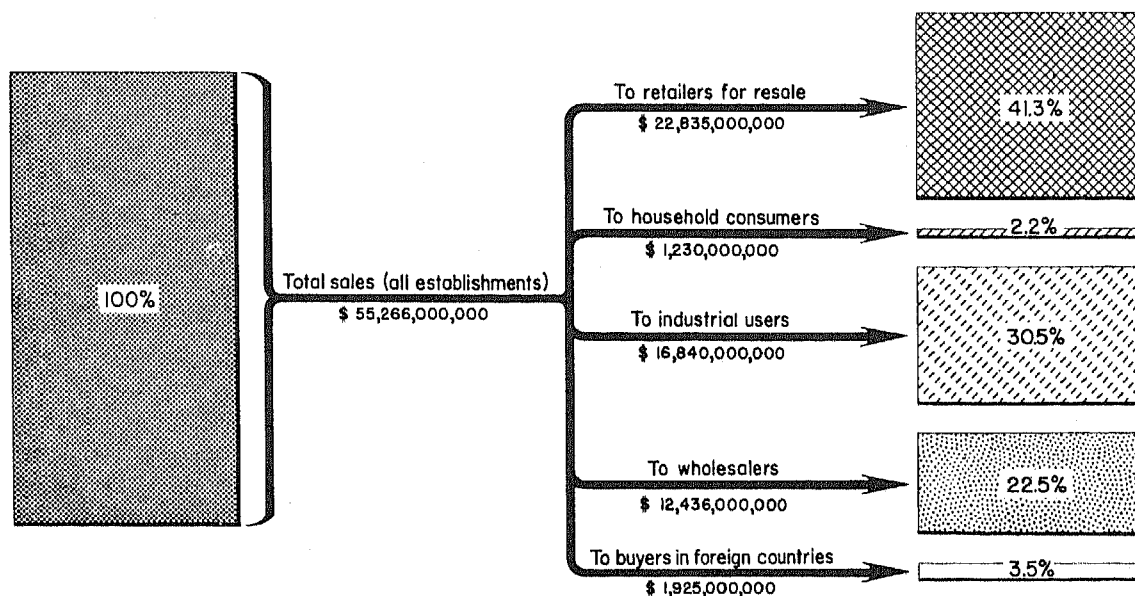


CHART XI.—SALES BY CLASSES OF CUSTOMERS

(Analysis based on a sample)



that bought goods for business use rather than for resale); to other wholesalers; to export intermediaries; and sales direct to buyers in other countries. Of the 200,573 wholesale establishments in the country, 173,637, or 86.6 percent, were able to analyze their business on this basis. Sales of these 173,637 establishments amounted to \$48,862,005,000, or 88.4 percent of the total volume for all wholesale establishments.

Based upon ratios determined from information furnished by the 173,637 establishments, it is found that only slightly more than two-fifths of all wholesale sales, or approximately \$22,800,000,000, were to retailers for resale; almost one-third, or \$16,800,000,000, went direct to industrial users; while an additional one-fifth, or \$12,400,000,000, represented sales by one type of wholesale establishment to another—or what might be termed “duplication” in wholesale trade. Export sales direct to buyers in foreign countries amounted to \$1,900,000,000 during the year, or almost 4 percent of the total, and sales to household consumers—“retail sales”—made up the remaining 2 percent, or well over \$1,000,000,000.

As would be expected, the various types of establishments differ materially in the classes of customers they serve. For example, approximately three-fifths of the sales of petroleum bulk stations and of service and limited-function wholesalers are direct to retailers. On the other hand, only 13 percent of the business of manufacturers' sales offices and of assemblers of farm products is with retailers. Almost two-thirds (64.9 percent) of the sales of manufacturers' sales offices are to

industrial users, while more than one-half (54.2 percent) of the business of assemblers is with wholesalers. Substantial portions of the sales of agents and brokers are to industrial users (35.8 percent) and to wholesalers (39.5 percent).

TABLE P.—PERCENTAGE OF 1939 SALES TO VARIOUS CLASSES OF CUSTOMERS, BY TYPES OF OPERATION

TYPE OF OPERATION	Total	PERCENTAGE OF SALES TO—					
		Retailers for resale	Household consumers ²	Industrial users ³	Other wholesalers	Export intermediaries	Buyers in foreign countries
Service and limited-function wholesalers.....	100.0	58.0	1.9	23.6	11.1	0.5	4.0
Manufacturers' sales branches (with stocks).....	100.0	30.4	.5	34.6	24.2	.3	1.0
Manufacturers' sales offices (without stocks).....	100.0	13.0	.2	64.9	19.0	.3	2.0
Petroleum bulk stations and terminals.....	100.0	74.0	(⁴)	26.0	(⁴)	(⁴)	(⁴)
Agents and brokers.....	100.0	16.8	.7	35.8	39.5	1.1	6.1
Assemblers (mainly farm products).....	100.0	13.5	6.2	21.3	54.2	1.0	3.2

¹ Sales of wholesale establishments at retail.

² Sales to buyers who purchase for business use rather than for resale purposes.

³ Sales to car owners and to farmers included in sales to industrial users.

⁴ Sales to wholesalers and jobbers, to export intermediaries, and export sales included in sales to retailers.

In table Q the ratios as given in table P have been applied to total sales of all establishments in order to determine the probable distribution had all establishments answered the inquiry. It should be noted that these projections are accurate only to the degree that the percentages given in the sample would have held true had all establishments analyzed their sales by classes of customers.

CENSUS OF BUSINESS

TABLE Q.—PROJECTED TOTAL SALES TO VARIOUS CLASSES OF CUSTOMERS, BY TYPES OF OPERATION ¹
[Expressed in thousands of dollars]

TYPE OF OPERATION	Total sales, all establishments	SALES TO—				
		Retailers	Household consumers ²	Industrial users ³	Wholesalers, including export intermediaries	Buyers in foreign countries
United States total.....	\$55,265,640	\$22,834,849	\$1,229,638	\$16,840,241	\$12,435,851	\$1,925,061
Service and limited-function wholesalers.....	23,641,924	13,925,093	449,197	5,579,494	2,742,463	945,677
Manufacturers' sales branches (with stocks).....	8,846,940	3,485,694	44,235	3,061,041	2,167,500	88,470
Manufacturers' sales offices (without stocks).....	4,679,262	608,304	9,359	3,036,841	931,173	93,585
Petroleum bulk stations and terminals ⁴	3,807,908	2,517,027	456,049	495,028	323,672	15,232
Agents and brokers.....	11,201,035	1,881,774	78,407	4,009,971	4,547,620	683,263
Assemblers (mainly farm products).....	3,088,571	416,957	191,491	657,866	1,723,423	98,834

¹ Amounts as given in this table were obtained by applying the ratios (calculated to one decimal place only) from table P to sales for all establishments, including those not analyzed by classes of customers. In the case of the petroleum bulk stations and terminals, it was assumed that the equivalent of all sales of distributing terminals was to wholesalers, while ratios from the 1935 census were used to determine sales to other classes of customers. Gasoline and other turn-over taxes are included.

² Sales of wholesale establishments at retail.

³ Sales to buyers who purchase for business use rather than for resale purposes.

⁴ Sales figures include taxes.

A comparative summary of sales by classes of customers, 1939-35, is given in table R, by types of operation. Generally speaking, slightly larger portions of the 1939 sales were to industrial users and to other wholesalers, while the percentage of the total volume to retailers dropped off. Export sales for all types of operation save one—assemblers of farm products—were up slightly over 1935.

TABLE R.—COMPARATIVE SUMMARY OF SALES BY CLASSES OF CUSTOMERS, 1939 AND 1935, BY TYPES OF OPERATION

TYPE OF OPERATION	PERCENTAGE OF SALES TO—									
	Retailers		Household consumers ¹		Industrial users ²		Other wholesalers ³		Buyers in foreign countries	
	1939	1935	1939	1935	1939	1935	1939	1935	1939	1935
Service and limited-function wholesalers.....	58.9	59.2	1.9	1.9	23.6	24.9	11.6	10.2	4.0	3.8
Manufacturers' sales branches (with stocks).....	39.4	52.6	.5	.4	34.6	27.7	24.5	18.6	1.0	.7
Manufacturers' sales offices (without stocks).....	13.0	17.8	.2	.2	64.9	59.3	19.9	21.1	2.0	1.6
Agents and brokers.....	16.8	21.0	.7	.1	35.8	34.9	40.6	30.4	6.1	4.0
Assemblers (mainly farm products).....	13.5	12.7	6.2	4.1	21.3	29.5	55.8	50.0	3.2	3.7

¹ Sales of wholesale establishments at retail.

² Sales to buyers who purchase for business use rather than for resale purposes.

³ Including sales to export intermediaries.

Wholesale vs. retail sales.—It is noted that not all sales of wholesale establishments, as defined for census purposes, are to retailers for resale. In fact, of the total volume of \$55,265,640,000 only about \$23,000,000,000 was to retailers. When comparing this amount with the \$42,041,790,000 of retail business as reported in the 1939 Census of Retail Trade, it should be remembered that retailers buy substantial amounts of goods direct from manufacturers, from farmers, and from other producers, as well as from wholesalers. Furthermore, as shown in table 7B, retailers' purchases from other retailers during 1939 amounted to \$928,932,000. The difference between the \$42,041,790,000 retail sales and the \$23,000,000,000 sales by wholesale establishments to retailers should not be assumed to represent mark-up.

Table 7 analyzes sales by classes of customers. Data are presented by types of operation and, under each type group, by kinds of business. The size of sample for any classification may be determined by relating "total of sales analyzed," as given in column 3, to "total net sales" as given in the second column of the table.

Legal form of organization.—Table 9 analyzes wholesale trade by legal form of organization. It presents basic information on number of establishments, sales, expenses, personnel, pay roll, and stocks separately for individual proprietorships, partnerships, corporations, and "other" or miscellaneous forms. Corporate concerns operated one-half of the establishments and accounted for three-fourths of the sales of all wholesale trade in the United States in 1939. Of the 200,573 establishments, 97,503, or 48.6 percent, were operated by corporations. Sales of these 97,503 establishments amounted to \$41,012,835,000, or 74.2 percent of the sales of all wholesale establishments in 1939.

A total of 98,646 establishments were operated by unincorporated concerns, 73,247 of which were by individual proprietorships and 25,399 by partnerships. Sales of individual proprietorships amounted to \$6,969,969,000, 12.6 percent of the total for all classifications, and to \$5,984,541,000 for partnerships. Individual proprietorships and partnerships combined contributed 23.4 percent of all sales. In addition to corporations, individual proprietorships, and partnerships, a few other forms of organization such as common law trusts,

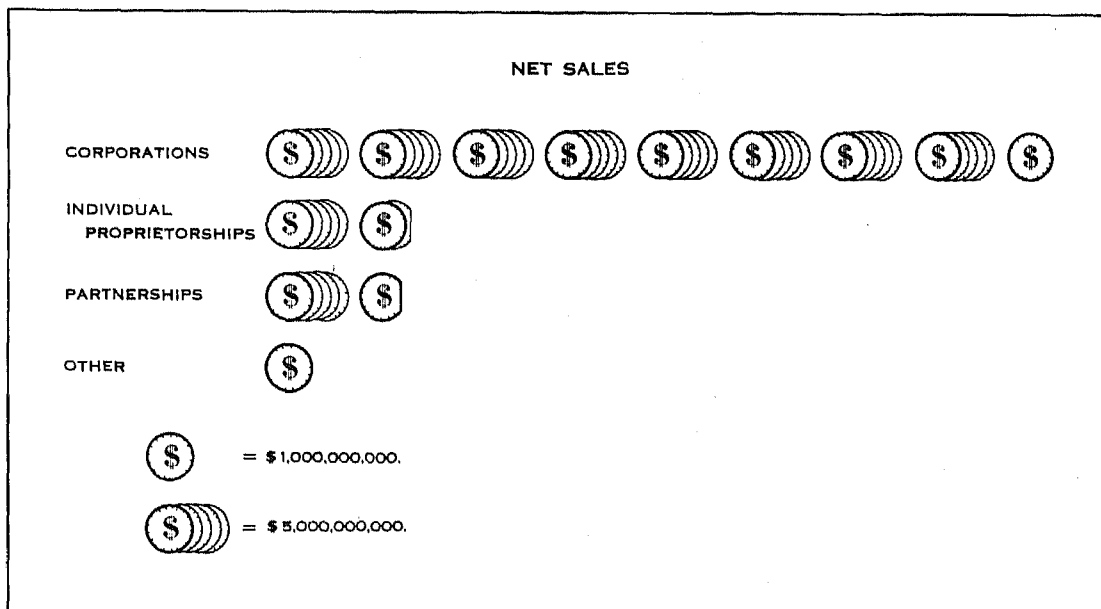
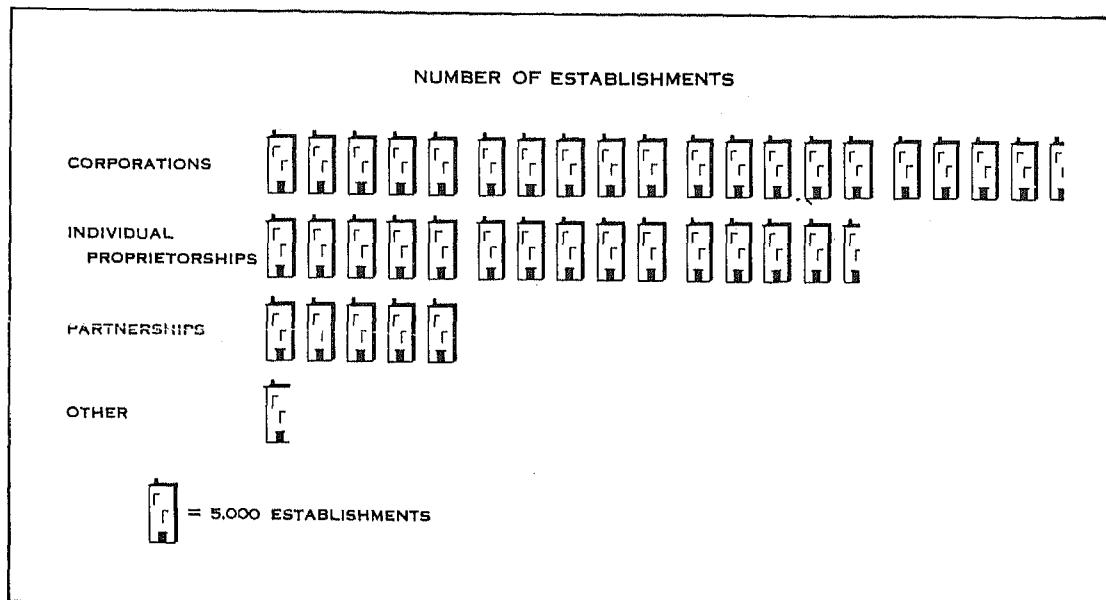
TABLE S.—LEGAL FORM OF ORGANIZATION

LEGAL FORM	Number of establishments	Net sales	Proprietors	Employees	Pay roll
United States total.....	200,573	\$55,265,640,000	133,698	1,561,948	\$2,924,203,000
Individual proprietorships.....	73,247	6,969,969,000	67,529	199,934	223,777,000
Partnerships.....	25,399	5,984,541,000	48,134	137,817	169,279,000
Corporations ¹	97,503	41,012,835,000	17,486	1,180,693	2,186,208,000
Other or not stated.....	4,424	1,298,295,000	540	43,504	44,879,000

¹ Includes 17,530 petroleum bulk stations, properties of which are owned by corporations, but the stations are operated on a commission basis, operators having a proprietary interest in the business.

² Operators of petroleum bulk stations on a commission basis.

CHART XII. - LEGAL FORM OF ORGANIZATION



unincorporated cooperatives, cooperatives organized under special laws, and oriental mutuals are found in wholesale trade. Including a small number which failed to report their legal form, a total of 4,424 establishments are found in the "other" classification. Sales of this group amounted to \$1,298,295,000 for the year 1939.

Negro proprietorships.—Twenty-six of the individual proprietorships and partnerships were operated by Negroes. Sales of these 26 establishments amounted to \$1,131,000 during the year 1939. They provided employment for 23 active proprietors and firm members and for 66 employees on a salary or wage basis.

Pay roll of the 66 employees amounted to \$90,000 for the year.

Comparisons: 1939, 1935, and 1929.—Data on wholesale trade by legal form are also available for 1935 and 1929. As previously stated, the total number of wholesale establishments increased from 168,820 in 1929 to 200,573 in 1939, or 18.8 percent. Compared with the 18.8 percent increase for all establishments during the 10-year period, individual proprietorships increased 39.6 percent; partnerships 17.5 percent; and corporations 10.3 percent. The number of places of business operated as individual proprietorships increased at a more rapid rate during the 10-year period

than did other forms of organization, with the result that they accounted for 36.5 percent of all establishments in 1939, compared with only 31.1 percent in 1929. Corporations dropped in terms of the total number from 52.4 percent in 1929 to 48.6 percent in 1939.

Little change is noted in the relative portion of the total business done by the various forms of organization when 1939 is compared with 1929. Corporations increased slightly, from 73.3 percent to 74.2 percent during the 10-year period, and individual proprietorships from 11.1 percent to 12.6 percent. Partnerships, on the other hand, dropped from 12.1 percent of the total dollar volume in 1929 to 10.8 percent in 1939.

TABLE T.—COMPARATIVE SUMMARY BY LEGAL FORM OF ORGANIZATION: 1939, 1935, AND 1929

LEGAL FORM	ESTABLISHMENTS			SALES (ADD 000)		
	1939	1935	1929	1939	1935	1929
United States total	200,573	176,756	166,820	\$55,265,640	\$42,802,913	\$66,983,024
Individual proprietorships	73,247	60,306	52,451	6,969,969	4,774,205	7,468,577
Partnerships	25,399	20,000	21,612	5,984,541	4,134,639	8,074,967
Corporations	101,503	88,471	88,384	41,012,835	32,986,801	49,107,526
Other or not stated	4,424	7,979	6,373	1,208,296	907,268	2,331,924

¹ Revised for comparison purposes.

² Includes 17,530 petroleum bulk stations operated on a commission basis.

³ Includes 6,436 petroleum commission stations with sales of \$402,874,000.

⁴ Includes cooperative associations and cooperative branches.

Ownership study.—In table 10 wholesale trade is analyzed according to the number of establishments under one ownership. All ownerships are grouped into

the following classifications: 1 wholesale establishment only; 2 wholesale establishments; 3-5; 6-9; 10-14; 15-24; 25-49; and 50 or more establishments under one ownership. For each group the number of establishments, sales, personnel, pay roll, and inventories are given.

Two-thirds or 136,887 of the 200,573 establishments in the United States in 1939 were owned by organizations, concerns, or individuals who had only one wholesale place of business. These 136,887 "independent" establishments reported sales totaling \$28,766,974,000 during 1939 which was 52.1 percent of all wholesale trade for that year. They provided employment for 1,005,089 persons which was 59.3 percent of the total personnel of all wholesale establishments.

Operating 2 establishments each were 3,836 organizations or concerns with 7,672 places of business and \$2,860,383,000 in sales. In the 3-5-establishment classification were 2,517 concerns with 8,985 places of business and \$4,373,980,000 in sales. Thus organizations operating five establishments or less contributed almost two-thirds (65.1 percent) of all wholesale business during 1939.

On the other extreme, 113 organizations each operated 50 or more establishments—a total of 29,187 places of business. Sales of these 29,187 establishments amounted to \$7,750,712,000, or 14.0 percent of the total. Likewise, 134 organizations each maintained 25-49 places of business or a total of 4,598. Sales of these organizations totaled \$2,679,448,000.

CHART XIII.—ESTABLISHMENTS CLASSIFIED ACCORDING TO NUMBER UNDER ONE OWNERSHIP

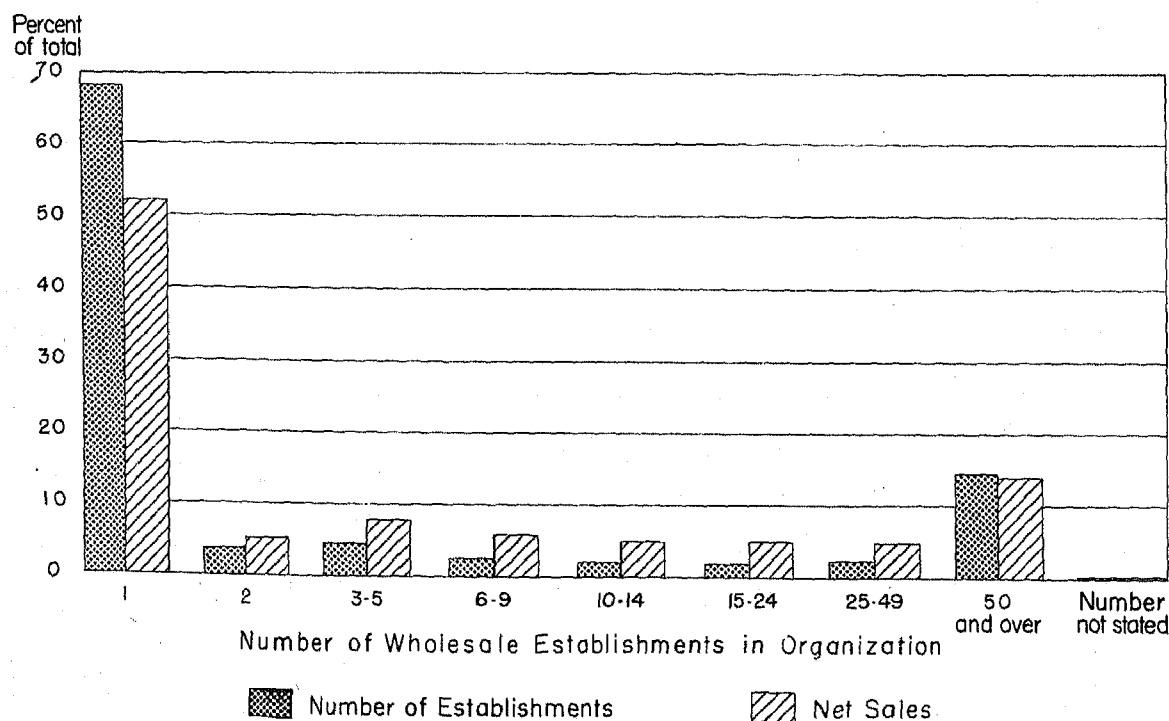


TABLE U.—NUMBER OF ORGANIZATIONS, ESTABLISHMENTS, AND SALES, BY OWNERSHIP GROUPS

NUMBER OF ESTABLISHMENTS IN ORGANIZATION	Number of organi- zations	Number of estab- lishments	SALES, 1939	
			Amount	Percent of total ¹
United States total.....	144, 788	200, 573	\$55, 265, 640, 000	100. 0
1 establishment only.....	136, 887	136, 887	28, 766, 974, 000	52. 1
2 establishments.....	3, 836	7, 672	2, 860, 383, 000	5. 2
3-5 establishments.....	2, 517	8, 985	4, 373, 980, 000	7. 9
6-9 establishments.....	720	5, 057	3, 262, 664, 000	5. 9
10-14 establishments.....	352	3, 985	2, 752, 185, 000	5. 0
15-24 establishments.....	220	4, 062	2, 779, 432, 000	5. 0
25-49 establishments.....	154	4, 598	2, 679, 448, 000	4. 8
50 and over.....	113	29, 187	7, 750, 712, 000	14. 0
Not stated.....		140	39, 802, 000	. 1

exceptions, the number by groups is also larger in 1939 than in 1929. Exceptions are noted in the middle groups, which may indicate a trend toward more establishments under one ownership. Independents, however, also increased in number from 108,866 in 1929 to 136,887 in 1939, a gain of 28,021.

TABLE V.—ESTABLISHMENTS AND SALES, BY OWNERSHIP GROUPS: 1939, 1935, AND 1929

[Sales expressed as a percentage of total for year]

NUMBER OF ESTABLISHMENTS IN ORGANIZATION	NUMBER OF ESTABLISHMENTS			SALES		
	1939	1935	1929	1939	1935	1929
United States total.....	200, 573	176, 756	169, 702	100. 0	100. 0	100. 0
1 establishment only.....	136, 887	118, 804	108, 866	52. 1	52. 2	52. 0
2 establishments.....	7, 672	5, 522	6, 225	5. 2	5. 0	5. 8
3-5 establishments.....	8, 985	7, 296	9, 191	7. 9	8. 2	9. 1
6-9 establishments.....	5, 057	4, 300		5. 9	6. 5	
10-14 establishments.....	3, 985	3, 143	14, 584	5. 0	4. 0	17. 6
15-24 establishments.....	4, 062	3, 770		5. 0	4. 8	
25-49 establishments.....	4, 598	4, 160		4. 8	7. 1	
50 and over.....	29, 187	29, 761	27, 886	14. 0	112. 2	14. 8
Not stated.....	140		2, 950	. 1		. 7

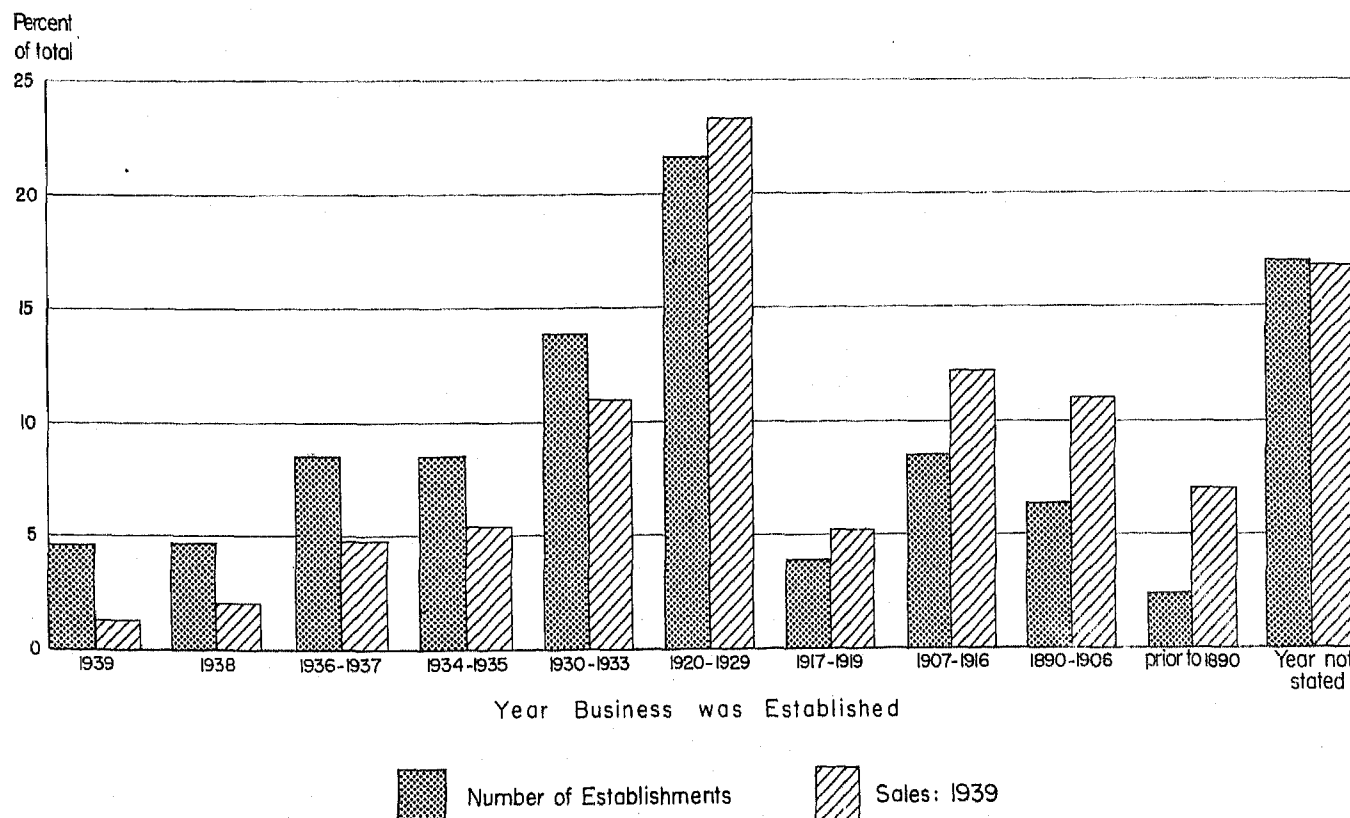
¹ Includes all commission bulk stations in the petroleum trade.

Independents—one ownership—one establishment—accounted for almost exactly the same portion of total sales during each of the 3 years, 52.0 percent in 1929, 52.2 percent in 1935, and 52.1 percent in 1939. On the other hand, organizations operating 25 or more wholesale establishments increased their portion of total business from 14.8 percent in 1929 to 18.8 percent in 1939.

Compared with 1935 and 1929.—Table V compares number of establishments and sales, 1939, 1935, and 1929, according to the number of wholesale places of business under one ownership. For convenience, sales are expressed as a percentage of the total for all establishments during each year. Due to differences in classification of ownership groups, it has been necessary to make some combinations in 1939 and 1935 figures for comparisons with 1929.

The number of establishments in all ownership groups increased between 1935 and 1939 except in the "50 and over" classification where there was a small drop, from 29,761 to 29,187. It is probable that 1935 figures for the 50-and-over group are somewhat inflated as all commission bulk stations in the petroleum trade were counted in this classification for that year. With some

CHART XIV. — AGE OF WHOLESALE ESTABLISHMENTS: 1939



Age of establishment and year acquired by present owner.—The questionnaire used in the 1939 Wholesale Census provided for reporting in connection with each place of business: (a) Date (year) of original establishment of the business in city of present (1939) location; and (b) date acquired (or established) by present (1939) owner. The results of these two inquiries are summarized in table 11. It is believed that, through lack of knowledge on the part of present owners of operations under predecessors, if any, the data on "age of establishment" err on the side of understatement. This belief is strengthened by the fact that in such a large number of cases—128,692 of the 200,573—"year of establishment" and "year acquired by present owner" were reported as the same. Furthermore, in 34,089 cases date of establishment was not given.

Of the 200,573 wholesale establishments in the United States in 1939, 4,902 started operations prior to 1890; hence they were at least 50 years old. An additional 12,847 were established in the 17-year period 1890-1906, and 17,014 more in the decade 1907-16. Thus a total of 34,763, or 17.3 percent, were established prior to the first World War. On the other extreme, 9,309 started in 1939; an equal number, 9,351, in 1938; and 17,075 in the 2-year period 1936-37; hence a total of 35,735 were not more than 4 years old.

Eliminating those that failed to report the year business was opened, it is found that one-half of all establishments, 48.4 percent, were not more than 10 years of age. Only 51.6 percent started operations prior to 1930.

TABLE W.—NUMBER OF ESTABLISHMENTS AND SALES—ESTABLISHMENTS CLASSIFIED ACCORDING TO THE YEAR BUSINESS STARTED

YEAR BUSINESS WAS ESTABLISHED	Number of establishments	Average number started per year	SALES, 1939	
			Total	Average per establishment
United States total.....	200,573		\$55,265,640,000	\$275,539
1939.....	9,309	9,309	719,390,000	119,911
1938.....	9,351	9,351	1,121,284,000	154,248
1936-37.....	17,075	8,538	2,639,793,000	170,613
1934-35.....	16,900	8,500	3,002,245,000	218,578
1930-33.....	27,911	6,978	6,100,730,000	207,290
1920-29.....	43,306	4,331	12,874,421,000	370,765
1917-19.....	7,770	2,590	2,880,842,000	390,435
1907-16.....	17,014	1,701	6,744,944,000	475,236
1890-1906.....	12,847	766	6,105,361,000	793,613
Prior to 1890.....	4,902		3,890,280,000	269,657
Year not stated.....	34,089		0,192,341,000	

As a rule, the older the establishment the more business it did during 1939. Average sales during 1939 of those more than 50 years old amounted to \$793,613. From this high, the average decreased consistently with the drop in age to \$119,911 for those starting in 1938.

Long established businesses pay their employees more on the average than do newer ones. Average

1939 pay roll per employee of businesses that started prior to 1890 amounted to \$1,816. From this figure as a high, it decreased consistently to a low of \$1,377 for establishments that began operations in 1938. Pay roll per dollar of sales was also highest, 6.3 percent, for the oldest establishments and decreased to 3.6 percent for those starting in 1939.

TABLE X.—NUMBER OF EMPLOYEES AND PAY ROLL—ESTABLISHMENTS CLASSIFIED ACCORDING TO YEAR BUSINESS STARTED

YEAR BUSINESS WAS ESTABLISHED	Number of employees, 1939	PAY ROLL, 1939		Pay roll, percent of sales
		Amount	Average per employee	
United States total.....	1,561,948	\$2,624,203,000	\$1,680	4.7
1939.....	19,846	26,001,000	1,377	3.6
1938.....	33,848	46,602,000	1,420	4.2
1936-37.....	78,025	110,780,000	1,547	4.6
1934-35.....	89,012	139,074,000	1,585	4.4
1930-33.....	108,050	207,903,000	1,708	4.7
1920-29.....	356,655	608,475,000	1,708	5.2
1917-19.....	87,709	140,803,000	1,707	5.0
1907-16.....	196,847	336,051,000	1,734	5.3
1890-1906.....	186,809	323,932,000	1,816	6.3
Prior to 1890.....	135,998	246,954,000	1,769	4.0
Year not stated.....	208,249	368,448,000		

Year acquired by present owner.—A total of 15,061 establishments were started or acquired by their present (1939) owners in 1939. Similarly, 14,280 were acquired in 1938 and 24,476 were taken over during the 2-year period 1936-37, or a total of 53,817—26.8 percent—came into the possession of their present owners within the past 4 years.

It is interesting to note that 1,217 places of business have remained continuously under the same ownership for over 50 years, and that an additional 7,805 were acquired prior to 1906. As was found to be true in connection with "age of business," large average annual sales per establishment are associated with long operation under the same ownership. Establishments acquired prior to 1890 by present owners did an average volume of over a million dollars in 1939. From this high, the average dropped rather consistently to \$136,550 for establishments taken over in 1938.

TABLE Y.—NUMBER OF ESTABLISHMENTS AND SALES—ESTABLISHMENTS CLASSIFIED ACCORDING TO YEAR ACQUIRED BY PRESENT OWNER

YEAR ACQUIRED BY PRESENT (1939) OWNER	Number of establishments	Average number acquired per year	SALES, 1939	
			Total	Average per establishment
United States total.....	200,573		\$55,265,640,000	\$275,539
1939.....	15,061	15,061	1,591,305,000	136,550
1938.....	14,280	14,280	1,940,934,000	214,675
1936-37.....	24,476	12,238	5,254,396,000	190,125
1934-35.....	19,953	9,977	3,793,567,000	225,498
1930-33.....	32,146	8,037	7,248,843,000	290,260
1920-29.....	48,191	4,819	13,987,910,000	357,715
1917-19.....	7,704	2,568	2,755,836,000	424,019
1907-16.....	14,574	1,457	6,179,653,000	580,048
1890-1906.....	7,805	459	4,597,513,000	1,040,800
Prior to 1890.....	1,217		1,266,654,000	437,823
Year not stated.....	15,166		6,640,026,000	

CHAPTER III.—CLASSIFICATIONS—TYPE AND KIND

Classification by types of operation.—All wholesale establishments are classified by types of operation primarily on the basis of functions performed. Some wholesalers perform a variety of functions such as buying, assembling, sorting and grading, warehousing, selling, delivering from stock, and extending credit, while others perform one or, at the most, only a few of these services. Obviously, employment, pay roll, expenses, and other characteristics of the business vary with the functions performed. In attempting to classify or group types of wholesale establishments, several possibilities are encountered. They may be classified as follows:

1. According to the ownership of goods, those which take title to the merchandise and operate as merchants and those which do not take title.
2. According to the ownership of the establishment, in order to indicate single-unit establishments, branches, and chains.
3. On the basis of whether they emphasize the buying function or the selling function; namely, a division into buying establishments and selling establishments.
4. According to services rendered, indicating whether they rendered complete or limited services.
5. According to the relationship of the wholesale establishment to retail outlets, as in the case of retailer-cooperative warehouses; or to producers, as in the case of manufacturers' sales branches.
6. On the basis of domestic territory covered, according to which they may be divided into local, sectional, and national coverage.
7. According to whether they engage in foreign or domestic trade.

Any one of these classes may be further subdivided. Thus, it is possible to classify organizations engaged in domestic trade into buying organizations and selling organizations. Each of these may be classified in turn on the basis of title to the goods in order to show merchant and nonmerchant establishments, or on the basis of who owns the establishments in order to determine whether they are integrated with manufacturers or other producers. Many business concerns do not conform to any given pattern, their functions overlapping in various classifications. At some points it has been necessary, for census purposes, to place them in one group or another on a more or less arbitrary basis. It should be remembered, in this connection, that the entire business of an establishment is placed in one classification or another, according to major functions. In order to present statistics in such a way as to enable one to work out whatever classification he deems most essential, all wholesale establishments are grouped into six major type classifications, some of which are further subdivided as outlined below:

Service and limited-function wholesalers:	Agents and brokers:
Wholesale merchants.	Auction companies.
Voluntary group wholesalers.	Commodity and merchandise brokers.
Converters (textile).	Commission merchants.
Export merchants.	Export agents.
Importers.	Import agents.
Industrial distributors.	Manufacturers' agents:
Cash-and-carry wholesalers.	With stocks.
Drop shippers or desk jobbers.	Without stocks.
Wagon distributors.	Selling agents.
Retailer-cooperative warehouses.	Other agents.
Manufacturers' sales branches (with stocks).	Assemblers (mainly farm products):
Manufacturers' sales offices (without stocks).	Assemblers of farm products.
Petroleum bulk stations and terminals:	Commission buyers.
Independent bulk stations.	Cooperative marketing associations.
Commission stations.	Cooperative sales agencies.
Salary stations.	Cream stations.
Cooperative bulk stations.	Country grain elevators:
Distributing terminals.	Independent.
	Line.
	Cooperative.
	Packers and shippers.

Types of operation defined—I. Service and limited-function wholesalers.—This group includes wholesale establishments engaged primarily in the buying and selling of goods on their own account and which are largely independent in ownership. It consists of the following 10 types of operation:

a. Wholesale merchants.—Wholesalers of the conventional type who buy and sell in the domestic market and perform all of the principal wholesale functions. They are merchant middlemen who sell goods principally to retailers or to industrial, commercial, or professional users. They buy and sell merchandise on their own account; carry stocks; assemble in large lots and redistribute in smaller quantities, usually through salesmen; extend credit to customers; and render advice to the trade. Wholesale merchants in the consumer-goods trades sell primarily to retailers, but in the industrial-goods field they sell chiefly to industrial users. This classification includes some establishments which are frequently thought of as retailers, such as industrial machinery dealers and equipment and supply houses.

Since it was impossible to distinguish between *jobber* and *wholesale merchant* on the basis of the reports submitted to the census, the two terms are used synonymously. In many lines of trade the terms appear to be used interchangeably with preference given to the more descriptive term "wholesaler" or "wholesale merchant."

Establishments commonly referred to as "supply jobbers," who sell mainly or partly to wholesalers, and "semijobbers" or "subjobbers," who sell chiefly to retailers or industrial users but who make some sales to household or individual consumers are included in this classification.

Cooperative buying associations buying, storing, and distributing goods to farmer or to consumer cooperatives are included with wholesale merchants because their small number does not permit showing them separately. Retailer-cooperative warehouses, as described below, however, are set out as a separate classification. *Mail order or catalog wholesalers* who sell all or the bulk of their goods by mail are included here.

b. Voluntary group wholesalers are wholesale merchants sponsoring or affiliated with sponsors of voluntary organizations of independent retailers performing joint advertising and sales promotion activities. The term is limited here, for the most part, to joint merchandising groups in which the members are identified by a common name. All wholesalers sponsoring such groups are included regardless of the portion of their sales to retail members of the organization.

c. Converters (textile), as the term is used here, are merchant middlemen in the textile trade. In addition to carrying on the functions of *wholesale merchants*, converters also perform or have performed for them some of the functions of manufacturing in its final stages. The manufacturing functions, if any, are so insignificant in the case of converters included in the wholesale census, as compared with all of the other functions they perform, that they are regarded as wholesale middlemen. Converting plants engaged in finishing, dyeing, printing, etc., are included in the census of manufactures.

d. Export merchants are wholesale merchants selling in the foreign rather than the domestic market. Their sales may be largely to foreign importers, wholesale merchants, or industrial users.

e. Importers in the wholesale field are largely identified with wholesale merchants as far as functions are concerned. Their chief distinction lies in the source of purchases, which is primarily foreign. Furthermore, sales of importers may be made largely to wholesalers or to industrial users rather than direct to retailers.

f. Industrial distributors are distinguished from wholesale merchants by the fact that they handle a general line of industrial goods and sell largely to industrial users. For census purposes, the term is limited to establishments dealing in a more or less complete line of materials, equipment, and/or supplies for mines, factories, oil wells, public utilities, and similar industries. Establishments engaged primarily in selling machinery are not included in this classification. Among others, the following are included: Oil-well supply companies; mine and mill supply houses; and

hardware, electrical, and plumbing establishments with important industrial departments.

g. Cash-and-carry wholesalers buy and sell merchandise in their own name, carry stocks, usually assemble in large quantities, and sell in small amounts to retailers and to other dealers who call for the goods at the wholesalers' place of business and pay cash for them. They are distinguished from wholesale merchants by the fact that they usually carry a limited line of products, mostly staples and fast-moving items, and do not generally extend credit to their customers, nor do they make deliveries. In the grocery trade, service wholesalers frequently operate cash-and-carry depots.

Retailer cooperatives and voluntary group wholesalers selling on a cash-and-carry basis are included in their respective classifications rather than here.

h. Drop shippers or desk jobbers are distinguished primarily by the fact that they take title to the goods they sell but they do not perform the warehouse or storage function as they do not handle the goods. Nor do they perform the delivery function, for orders solicited from trading establishments or industrial users are filled direct from the manufacturer or other source of supply to the drop shipper's customer. Under this classification are included only those establishments which operate predominately on a drop shipping basis.

i. Wagon distributors perform the wholesale functions of buying, selling, storing in a limited way, delivering, and occasionally extending credit to their customers. Their chief distinction from wholesale merchants lies in the following points:

(1) They combine the functions of salesmen with those of deliverymen. Usually no separate sales force is employed, the work of selling and delivering being carried out by salesmen-drivers.

(2) They normally carry a limited assortment of merchandise consisting of nationally advertised specialties and fast-moving items of a perishable or semiperishable nature.

(3) Their practice is to sell for cash and in the original package.

It should be noted that only those wagon distributors with recognizable places of business are included in the wholesale census.

j. Retailer-cooperative warehouses are wholesale establishments owned and operated cooperatively by groups of independent retailers buying collectively. The establishment functions as an incorporated wholesale company selling chiefly to members but occasionally doing some regular wholesale business. In addition to collective buying and performing other wholesale services, many retailer cooperatives have entered actively into collective selling and are giving increased attention to merchandising methods of their members. Buying groups without warehousing facilities are not included in this classification.

II. Manufacturers' sales branches (with stocks).—Wholesale outlets owned and operated by manufacturers, apart from their plants, primarily for

the purpose of carrying stocks of, selling, and delivering their products are included in this classification. Sales of manufacturers' sales branches include bookings (sales for direct delivery from plant) as well as sales from stocks at the branches. Subsidiary sales corporations of manufacturers set up to do a regular wholesale business, selling primarily to retailers or to industrial users, are classified, for census purposes, as service or limited-function wholesalers rather than as manufacturers' sales branches.

III. Manufacturers' sales offices (without stocks).—This type of establishment is distinguished from the *manufacturers' sales branch* by the fact that sales offices do not include facilities for the physical storage, handling, and delivery of merchandise.

IV. Petroleum bulk stations and terminals.—These types of establishments are distinguished primarily by their physical characteristics for storing and distributing gasoline, oil, and other petroleum products. Distributors selling petroleum packaged goods, or in bulk from tank trucks, but without physical equipment common to these types of operation, are included under other classifications.

Bulk stations maintain storage facilities on railroad or other transportation lines and sell, usually from trucks, to retailers, commercial, and industrial users, and, in the agricultural areas, to farmers. Four sub-classifications are defined as follows:

a. Independent bulk stations are single stations independently owned or lessee operated. Independent stations, as defined for census purposes, however, may be operated under the same ownership with filling stations. The term carries no implication as to whether the products sold are those of a so-called major oil company or of an independent refiner.

b. Commission stations are stations owned or leased by multi-unit concerns (concerns operating more than one bulk station) but whose operators have a proprietary interest in the business. Operators of these stations are paid commissions which include undetermined amounts to cover overhead and delivery costs as well as pay roll. Station personnel are considered as employees of the operator, rather than of the owner of the bulk plant.

c. Salary stations are owned and operated by multi-unit concerns, usually so-called major oil companies. All personnel of salary stations are considered as employees of the oil companies owning the plants.

d. Cooperative bulk stations are stations owned and operated by cooperative associations. Many of these stations sell substantial amounts to farmers.

e. Distributing terminals are places of business located at pipe line, water, and other transportation terminal points with special equipment for the transfer of petroleum products from one type of transportation to another. Only those terminals are included in the wholesale census that make a practice of selling petro-

leum products to other concerns, usually to distributors and large-scale users. Facilities used only in intra-company transfer of stocks are not considered as separate establishments for the purpose of the census of business.

V. Agents and brokers.—This type group includes, for census purposes, individuals or concerns having recognizable places of business and who are in business for themselves, negotiating purchases and/or sales in domestic or foreign trade, but who do not, as a rule, take title to the goods. Their chief additional function lies in furnishing marketing information. They may represent a single client or a group of clients, either buyers or sellers, and they frequently specialize in the lines of merchandise handled. Their compensation is usually in the form of fees or commissions.

Net sales as shown for agents and brokers includes a certain amount of approximation, as many such establishments do not maintain records on the dollar volume of business. In such cases carefully prepared estimates were accepted.

a. Auction companies, as the term is used here, are concerns that sell by the auction method at wholesale. Sales are conducted under definite rules and are usually made to the highest or best bidder. These establishments provide places for public inspection and sale of merchandise consigned to them. Often, on their own responsibility, they extend credit to purchasers. Auction selling is most common in the marketing of leaf tobacco, livestock, fruits and vegetables, and other farm products, but occasionally is found in the furniture, house furnishings, general merchandise, and other trades. Auctioneers and so-called "community sales" are not included in the wholesale census.

b. Commodity and merchandise brokers are wholesale middlemen who negotiate transactions between buyers and sellers without having direct physical control of the goods and without taking title or assuming the risk of price fluctuations. They act as agents for their principals, who usually are producers or wholesalers although sometimes brokers represent retailers. Brokers may represent either buyers or sellers in a given transaction, or both. In certain fields they may concentrate largely on the buying of goods for their clients. In such cases, they are frequently designated as "buying brokers." They do not, as a rule, take title to the goods to which their negotiations apply, nor do they finance their clients. Their powers as to prices and terms of sale are usually limited by their principals.

Brokers are not bound to any set of clients but operate freely in the wholesale field. Their relations with any one client may not be continuous as they are in the case of selling agents or manufacturers' agents. Remuneration of brokers is in the form of commissions or fees, based upon the value of the goods or upon the physical quantity of merchandise involved in the transaction. In addition to negotiating purchases or

sales, their chief function consists of advising their clients as to market conditions, inasmuch as knowledge of market conditions—of sources of supply and of outlets—is their main stock in trade. Normally, brokers do not handle the invoices. In some trades it is difficult to distinguish brokers from selling agents and manufacturers' agents, the terms frequently being used to describe similar methods of operation.

c. Commission merchants handle commodities consigned to them on a commission basis. As commission merchants they do not take title to the goods they sell for their clients. It is their practice, when the goods require it, to maintain places of business suitable for the handling, conditioning, warehousing, and selling of merchandise. In some lines of trade commission merchants or commission houses act principally as shippers' agents, but in most lines of business they combine some merchant business with commission dealings. Those selling principally on a consignment basis are included here, whereas those dealing principally on their own account but doing some consignment business are classified as service or limited-function wholesalers.

This classification also includes *factors* who specialize in the raw cotton trade since their operations are similar to commission merchants. Factors are located, as a rule, in central markets and receive the cotton on consignment from the producing areas. Their work consists of advancing funds to shippers, who may be growers; in warehousing and storing the goods; in grading; and finally, in selling.

d. Export agents are functional middlemen who specialize in the purchase of goods for, or sale of goods to, foreign buyers. Included in this classification are export commission houses, export agents, and export brokers.

e. Import agents include commission merchants, manufacturers' agents, and selling agents who represent foreign sellers in the domestic market. In addition to negotiating sales, they usually attend to customs formalities.

f. Manufacturers' agents sell part of the output of certain manufacturers on an extended contractual basis. They are limited with respect to territorial operations and as to prices and terms of sale. Their principal duty is selling, although some of them warehouse goods from which deliveries are made. A segregation is made, for census purposes, between those carrying stocks and those without warehousing facilities. Manufacturers' agents, as the term is used in the census, are in business for themselves—not employees of any one company—are paid on a commission basis, and usually represent two or more producers whose goods are non-competing in nature.

g. Selling agents are independent business entrepreneurs operating on a commission basis, whose principal function is to sell the output of a given line of goods for one or more manufacturers with whom they

maintain continuous contractual relationships. Selling agents differ from manufacturers' agents in the following respects: (1) They normally handle the output of one or more products of the clients they serve; (2) they are less limited in sales territory; (3) they have considerable latitude with regard to prices, terms, etc., whereas the authority of the manufacturers' agent is limited; and (4) they frequently finance their clients and offer assistance in connection with the advertising and other sales-promotion activities. When making comparisons with previous censuses, it is suggested that manufacturers' agents and selling agents be combined.

h. Other agents include purchasing agents, resident buyers, and cooperative buying offices.

Purchasing agents, frequently referred to in some trades as syndicate buyers, are independent middlemen buying merchandise for their clients. The chief functions of those included in this classification are to buy merchandise for their clients and to supply them with market information. They are to be distinguished from so-called *purchasing agents* employed in manufacturing plants, who are not in business for themselves but work for a single employer. They frequently combine orders from a number of relatively small wholesalers or retailers and buy on a larger scale than would be possible for the individual concerns whom they represent.

Resident buyers are purchasing agents operating primarily in the dry goods trade. They are located in central markets and are in close contact with manufacturers in these markets and with wholesalers and retailers at outlying points. Normally they represent the interests of buyers although they may also occasionally represent sellers.

VI. Assemblers (mainly farm products).—This type group includes establishments engaged primarily in the purchase, or assembly for sale, of farm products or fish and sea food at local producing points or in the cities of producing regions. Assemblers, as the term is used here, purchase direct from farmers and fishermen or from other local dealers. The emphasis of such establishments is on the buying or assembling of merchandise in quantities for economical handling and shipping, usually direct to commission men, carlot wholesale merchants, or to industrial users.

This group includes individuals, firms, and cooperative associations doing business on their own account, that is, outright purchasing and selling, and those operating on a salary or commission basis for some central organization. The chief distinction between some of the types, as their names indicate, rests upon the commodities which they handle rather than functions performed.

a. Assemblers of farm products are independent buyers of agricultural commodities who forward or consign the goods purchased by them to wholesale receivers or distributors in another and usually a larger market or to manufacturers or processors. Some of the larger han-

dlers of agricultural commodities also maintain assembling facilities at points of concentration in producing regions. Also, larger independent concerns often maintain offices at a central point and frequently have a group, line, or chain of buying stations.

Large quantities of agricultural commodities are purchased by local storekeepers or others chiefly engaged in some other business. These purchases are included with the business of the establishments, which may be classified as retail stores, service shops, or other businesses according to their major operations, and not here.

b. Commission buyers operate very much as assemblers except that they are engaged as agents in the buying of agricultural products for others, rather than dealing on their own account.

c. Cooperative marketing associations are associations formed largely by farmers for the purpose of disposing of their products at the most advantageous prices for the mutual benefit of the members. In addition to actual selling of the products, they often grade, pack, store, and in some cases advertise the commodities they handle. They may also buy for their members various supplies such as feed, seed, fertilizer, and fuel.

The term "cooperative marketing association" includes local cooperatives, both those disposing of their products direct and those marketing through a central association or agency. Cooperative cream stations or cooperative elevators are covered under their respective designations and not here. Farmers' cooperatives engaged primarily in buying for members are included in the retail census.

It should be pointed out that the decision as to whether an organization is or is not cooperative in character is based in general on the information in the schedule as submitted.

d. Cooperative sales agencies include both the sales agencies and the central marketing associations set up by agricultural cooperatives to facilitate the sale of products of members. Regional associations of federated cooperatives organized on a local, regional, State, or national basis are included here as well as the national selling agency. Thus it will be seen that there is some duplication in sales as reported by sales agencies and those reported by cooperative marketing associations, the sales agency representing, in a sense, the second or third level of selling.

e. Cream stations include collecting stations or depots located in fluid milk producing regions, stations open to buy fluid cream or milk. They may be maintained by city milk distributors, by creamery companies, by cooperative milk associations, or by independent firms.

Some cream station operators devote their full time to purchasing and shipping milk and cream. In other cases they also purchase eggs, poultry, and other farm products. The majority of cream stations, however, are operated in conjunction with other businesses such as retail stores, service shops, elevators, etc. Unless the business as a cream station predominates, the establishment is not included in this classification.

f. Country grain elevators include independent, line, and cooperative concerns purchasing and handling grain through properties commonly referred to as "elevators." Business concerns in producing areas, buying and selling grain, who do not have properties commonly known as "elevators" are classified, for census purposes, as assemblers. Terminal elevators in central markets engaged primarily in selling grain are considered, for census purposes, as wholesale merchants.

Independent elevators are, as a rule, locally owned. For census purposes, the term is limited to a single elevator under one ownership.

Line elevators are two or more elevators under one ownership, as reported to the census. Strictly speaking, the use of the term "line elevator" should be confined to those elevators whose operations are directed from a central point, as it is conceivable that an independent elevator company may own two or more elevators, each of which operates to all intents and purposes as a single elevator. For census purposes, however, it is necessary to classify any group of two or more elevators under the same ownership, except those maintained by cooperative associations, in the same classification; hence, elevators of such companies are designated as *line elevators*. Two or more elevators operated by a cooperative association are included under *cooperative elevators* rather than here. Many *line elevators* are owned by milling concerns which buy grain for their own use, or by merchandising concerns which purchase the grain through the elevators but which sell only from central points. For elevators performing the buying but not the selling function, "sales," as reported to the census, represent the value of the grain purchased.

Cooperative elevators may be either independent or line since some farmers' cooperative associations operate a number of elevators. No distinction is made between single and multiple elevators operated by cooperative associations.

g. Packers and shippers.—Production-point assembling, packing, and shipping of fruits and vegetables and of sea foods. Operators who do some growing but who perform primarily a commercial business for their neighbors or other producers are included. The census of business, however, excludes packing houses operated as integral parts of farms. Commercial and cooperative packing houses packing and shipping sea foods are included, but those maintained by fishermen for packing and marketing their own catch are excluded.

As an aid to a comparative study by types of operation, 1939 type classifications together with their 1935 and 1929 equivalents are given in the accompanying tabulation.

CENSUS OF BUSINESS

Types of Operation: 1939, 1935, and 1929

1939	1935	1929
I. Service and limited-function wholesalers:	Full-service and limited-function wholesalers:	Wholesalers only:
(1) Wholesale merchants.	Wholesale merchants. Mail-order wholesalers.	Wholesale merchants (in part). Mail-order wholesalers. Warehouses (distributing). Supply and machinery distributors (in part).
(2) Voluntary group wholesalers.	Voluntary-group wholesalers.	Wholesale merchants (in part).
(3) Converters (textile).	Converters.	Converters.
(4) Export merchants.	Exporters.	Exporters.
(5) Importers.	Importers.	Importers.
(6) Industrial distributors.	Industrial distributors.	Supply and machinery distributors (in part).
(7) Cash-and-carry wholesalers.	Cash-and-carry wholesalers.	Cash-and-carry wholesalers.
(8) Drop shippers or desk jobbers.	Drop shippers or desk jobbers.	Drop shippers or desk jobbers.
(9) Wagon distributors.	Wagon distributors.	Wagon distributors.
(10) Retailer-cooperative warehouses.	Retailer-cooperative warehouses.	Wholesale merchants (in part).
II. Manufacturers' sales branches (with stocks).	Manufacturers' sales branches (with stocks).	Manufacturers' sales branches (in part).
III. Manufacturers' sales offices (without stocks).	Manufacturers' sales offices (without stocks).	Manufacturers' sales branches (in part).
IV. Petroleum bulk stations and terminals.	Bulk tank stations (petroleum).	Bulk tank stations.
V. Agents and brokers:	Agents and brokers (functional middlemen):	Agents and brokers:
(1) Auction companies.	Auction companies.	Auction companies.
(2) Brokers (merchandise).	Brokers.	Brokers.
(3) Commission merchants.	Commission merchants.	Commission merchants.
(4) Export agents.	Export agents.	Export agents.
(5) Import agents.	Import agents.	Import agents.
(6) Manufacturers' agents.	Manufacturers' agents.	Manufacturers' agents.
(7) Selling agents.	Selling agents.	Selling agents.
(8) Other agents.	Other agents.	Purchasing agents and resident buyers.
VI. Assemblers (mainly farm products):	Assemblers:	Assemblers and country buyers:
(1) Assemblers of farm products.	Country buyers of farm products (in part).	Assemblers.
(2) Commission buyers.	Country buyers of farm products (in part).	Country buyers on salary or commission.
(3) Cooperative marketing associations.	Cooperative marketing associations (in part).	Cooperative marketing associations.
(4) Cooperative sales agencies.	Cooperative marketing associations (in part).	Cooperative sales agencies.
(5) Cream stations.	Cream stations.	Cream stations.
(6) Country grain elevators—dependent, line, cooperative.	Elevators (grain).	Milk stations. Elevators—dependent, line.
(7) Packers and shippers.	Packers and shippers.	Packers and shippers.

Classification by kinds of business.—In addition to type of operation, each wholesale establishment is classified by kind of business according to lines of merchandise handled or trade designation. The kind-of-business classification of an establishment, as in the case of type of operation, is based chiefly on the information contained in the 1939 census report, although for concerns that also submitted returns to previous censuses, the 1935 classification was readily available as an aid in doubtful cases. Specifically, the 1939 schedule forms provided for self-designation of kind of business—the “designation by which the establishment is known to the trade or public.” As a further aid to classification, three of the four schedules used in the canvass called for an analysis of sales by commodities or lines of merchandise.

Establishments are classified as a whole on the basis of their primary business. It is recognized that the lines of merchandise or commodities handled by many

wholesalers overlap two or more classifications—drug wholesalers frequently sell liquor, tobacco, confectionery, etc.; grocery wholesalers may also sell wines, liquors, and tobacco; or hardware wholesalers may sell automotive supplies, electrical goods, plumbing and heating supplies, and other industrial goods. It has been necessary in most cases, however, to assign an establishment to one classification only and to include the entire business of the establishment therein.

Guided largely by experience in previous censuses, all establishments have been divided into 28 kind-of-business groups. These groups comprise 172 minor or detailed classifications.

The various kinds of business, arranged as they appear in the tables—alphabetically for the most part—are described in the Appendixes. A conversion chart also appears in the Appendixes giving the 1935 and 1929 equivalents of the 1939 classifications.

CHAPTER IV.—DESCRIPTION OF TERMS

Number of establishments.—Wholesale establishments, as defined for census purposes, are places of business engaged primarily in selling or acting as agents in selling (or purchasing) goods in a wholesale manner. The place of business may be a store where goods are kept in stock for sale, a warehouse from which sales are made at wholesale, a sales or brokerage office, or a buying office (or part of an office that may be shared with others). The count includes all places of business recognizable as such to census enumerators and which are engaged primarily in selling goods or merchandise in a wholesale manner.

Selling in a wholesale manner or on a wholesale basis is selling primarily to retailers, institutions, industrial users, and to other wholesale organizations for resale, for further processing, or for business use rather than for personal or household consumption. Sales to retailers for resale constitute only about two-fifths of all wholesale trade as the field is outlined for census purposes.

As the canvass was conducted by means of personal contacts, peddlers and others selling at wholesale but without recognizable places of business are not included here. Wholesaler-retailers are included in the retail census if more than one-half of their sales are at retail to consumers. They are classified in the wholesale census, however, if more than one-half of their sales are made in a wholesale manner. Each wholesale establishment of a multi-unit or chain organization is counted separately. All establishments canvassed in 1940 that were in existence in 1939, even though their operations may have extended over but a portion of the year, are included.

Sales terms.—*Sales or net sales* are derived by deducting from gross sales the value of goods returned by, and allowances made to, customers. Receipts from services and from other sources in the normal operation of the business are included as well as receipts from sales of merchandise. Also, for purposes of the wholesale census, all forms of sales taxes are included.

Some establishments included in the wholesale census, such as purchasing agents, syndicate buyers, grain elevators, and cream stations are engaged chiefly in buying or assembling goods for parent organizations or for clients, the selling phase being incidental or non-existent. Purchases are considered as equivalent to net sales for these classes of establishments.

Agents and brokers operating on a commission basis, but who kept no records of the dollar volume of business, were asked to submit carefully prepared esti-

mates by computing net sales on the basis of average commission rates or fees charged. Where reporting brokers or agents failed to make these computations themselves, data on average commission rates charged by them during the year together with data on commissions earned were supplied to the wholesale census, where the computations were thus effected.

Sales by classes of customers.—Most establishments analyzed their business by classes of customers showing how much of their sales was to retailers, to household consumers, to industrial users, to other wholesale organizations, and how much was export business. In the petroleum trade the analysis was made on an ex-tax basis.

Sales to retailers.—Each establishment was requested to report separately its sales to retailers. For enumeration purposes the term "retailer" was used as described in the census of retail trade (See *Vol. I, Retail Trade: 1939*). "Sales to retailers" presumably exclude purchases made by retailers of such items as machines, fixtures, equipment, and supplies bought for use in the conduct of the business rather than for resale.

Sales to household consumers (at retail).—The amount shown under this classification represents retail business of wholesalers. Reporting concerns were instructed to include here sales to their own employees.

Sales to industrial users.—These are sales made by wholesale establishments to manufacturers, mines, railroads, oil wells, public utilities, institutions, and the like. They represent goods bought for business use such as machinery, equipment, and supplies and raw materials, rather than goods bought for resale in the same form as purchased.

Sales to wholesalers.—Under this inquiry each establishment was asked to report its business with other wholesale organizations as defined above. The data under this heading represent duplication in wholesale trade, i. e., the extent to which goods are sold by one wholesale establishment to another.

Sales to export intermediaries represent sales of goods to establishments which in turn are engaged primarily in the exporting business.

Export sales to buyers in foreign countries.—As the term indicates, the amount represents sales to buyers who do not maintain established places of business in the United States. It represents the domestic value of goods exported by wholesale establishments, or purchased from them for export. Domestic organizations maintaining foreign branches were asked to report here the value of goods shipped to such branches.

Cash-credit terms.—Service and limited-function wholesalers and also manufacturers' sales branches were asked to analyze their 1939 sales and to report cash and credit business separately.

Cash or "spot cash."—All sales on which customers paid cash at the time of purchase or on delivery of the merchandise, including c. o. d. business.

Credit sales.—Sales on which time elapsed between date of sale and date of payment, or all except strictly cash sales. Credit sales are classified in table 6A on the basis of time extension into 10 days or less, 11-30 days, and more than 30 days.

Commodity sales (table 8).—All questionnaires used in the 1939 Wholesale Census except Form 33 provided for reporting sales by commodities or lines of merchandise. For a complete list of commodities see explanation of table 8, chapter V.

Commodity coverage.—Not all wholesale establishments supplied information on sales by commodities. Had all reports been broken down on this basis "sales analyzed by commodities" and "total net sales" would have been the same and "commodity coverage" would have been 100 percent. Since the records of some establishments were such that no break-down could be obtained, total "commodity sales" for any trade is usually less than total net sales for the same classification. The term "commodity coverage" is used in the census to express the degree of completeness of the commodity analysis, or what might be referred to as the size of the sample. Commodity coverage is the ratio of sales made by the establishments reporting commodity figures to the total sales of all establishments for the same classification.

Sales tax.—As used in connection with table 7A, the term represents the amount of local, State, or Federal taxes which were collected from customers, over and above the selling price of the reporting establishment, and paid directly to the governmental taxing agency.

Sales- or business-size groups.—In table 4 wholesale merchants and, for the trades in which they appear, industrial distributors are analyzed by size based on 1939 sales. In classifying the establishments according to volume of business, nine sales-size groups were used, as follows:

Group number:	Business-size groups
I.....	\$2,000,000 and over.
II.....	\$1,000,000-\$1,999,999.
III.....	\$500,000-\$999,999.
IV.....	\$300,000-\$499,999.
V.....	\$200,000-\$299,999.
VI.....	\$100,000-\$199,999.
VII.....	\$50,000-\$99,999.
VIII.....	\$10,000-\$49,999.
IX.....	Under \$10,000.

Employment and pay-roll terms—Active proprietors of unincorporated businesses.—The number of active proprietors includes owners or partners of unincorporated businesses devoting the major portion

of their time to the operation of the business. Although they are actively engaged in the business, their number is not included in the count of employees nor is their compensation, if any, included in pay roll. Executives and salaried officers of corporations are classified as employees, not as proprietor-owners.

Number of employees.—This term represents the average number of full-time and part-time paid employees of wholesale establishments, including executives and salaried corporation officers. The average for the year is obtained by totaling the number reported monthly (for the pay-roll period ended nearest the 15th of each month) and dividing the sum by 12. Active proprietors and firm members of unincorporated businesses are not included in the count of employees.

Employees by sex.—The number of employees as of October were reported by sex. For purposes of presenting the results, the percent female as of October was applied to the average number for the year, thus obtaining the number of males and females as shown in table 2.

Full-time and part-time employees.—For purposes of this inquiry, respondents were instructed to report as "full-time employees" those who worked or were paid for the full number of hours of the workweek. All others were to be considered as part-time employees. There is some overlapping in the two classifications due to a lack of common usage of the terms. The term "part-time employee" frequently is used, particularly in the seasonal trades, with reference to persons engaged for a short period of time although while employed they may work the full number of hours per week. Except for the farm-products trade, it is believed that the amount of overlapping represents but a small portion of the total.

Employment and pay roll by occupational groups.—To provide a better understanding of employment and pay roll of wholesale establishments, each respondent was asked to classify his employees by occupational groups on the basis of functions performed, and to report the number of full-time and part-time separately, together with their respective pay rolls for a typical week. The week ended October 21, 1939, was selected as fairly representative for wholesale trade. Operators of seasonal businesses, however, were instructed to report one week of normal employment during their active season. It was found upon examining the returns that most seasonal businesses reported their week of maximum or near maximum employment; hence the total number of employees as shown in any classification for the week may exceed the average number of employees for the year. The fact that the suggested week was in October, a month of high employment, also tends to cause the number for the week to exceed the average for the year.

Where an employee performed a variety of functions and could be identified with more than one occupational

group, the respondent was instructed to classify him on the basis of the function requiring the major portion of his time during the week and to count him under one classification only. The entire pay roll of such employee was reported under the one classification and not prorated.

Executives and salaried corporation officers.—This group includes two general types of employees: (a) Salaried officers of corporations such as president, vice president, secretary, and treasurer of the corporation, the general auditor, and other persons appointed by the board of directors; and (b) hired executives such as office managers, sales managers, credit managers, and others devoting the major portion of their time to responsible administrative and supervisory duties.

Office and clerical employees.—Stenographers, office secretaries, bookkeepers, accountants, clerks, and other so-called white-collar workers except salespeople and warehouse and shipping clerks.

Inside selling employees.—House salesmen and others devoting all or the major portion of their time inside the establishment, meeting prospective customers and making sales, including sales by telephone and mail.

Outside selling employees.—Traveling or road and specialty salesmen operating from the establishment as headquarters and who spend a large portion of their time outside the establishment. Commission as well as salaried salesmen are included. Manufacturers' agents and combination salesmen or other sales representatives in business for themselves, however, are excluded.

Salesmen.—This term is used with reference to petroleum bulk stations and terminals only. It embraces both inside and outside salesmen.

Buying and selling employees.—This term is used with reference to agents and brokers and also to assemblers of farm products to include all employees engaged primarily in buying or selling, except salaried corporation officers and executives or managers.

Warehouse employees.—Persons engaged at the warehouse or in the storeroom, such as warehouse supervisors, shipping clerks, stockmen, packers, loaders, etc. Employees handling goods requiring only yard or outside storage are classified as "other" rather than "warehouse." Employees of agents and brokers and of assemblers of farm products who may be engaged at warehouses are classified as "other."

Truck operators and chauffeurs.—This classification includes employees of petroleum bulk stations and terminals engaged principally in delivering gasoline and other petroleum products from tank trucks.

Other employees.—In general, two types of employees are included under this classification: (a) Those performing duties such that they could not properly be classified elsewhere (maintenance employees, charwomen, elevator operators, truck drivers, yard employees, salvage employees, service employees, etc.);

and (b) those performing functions falling within two or more of the classifications described above, no one of which dominated. The latter is particularly true of smaller houses where employees divide their time among several activities.

Pay roll.—Total compensation (salaries, wages, bonuses, and commissions before deductions for Social Security, insurance, dues, etc.) of all employees on a salary or wage basis. Compensation of executives and of salaried corporation officers is included but not withdrawals of proprietor-owners of unincorporated businesses.

Part-time pay roll.—The compensation of part-time employees as defined above.

Expense terms—Operating expenses.—Total operating expenses, sometimes referred to as "overhead expenses," include all expenses incurred during 1939 by reporting establishments. It covers pay roll as well as other expenses in the normal operation of the business, but not the cost of merchandise sold nor does it include compensation of owners of unincorporated businesses. Total expenses are subdivided into administrative, selling, delivery, warehouse, occupancy, and "other" expenses.

Administrative expenses.—This classification includes the general administrative expenses not chargeable directly to any one division. In general, it includes executives' and officers' salaries and expenses; office salaries; superintendency; office supplies and stationery; postage, telephone, and telegraph; professional services (legal and auditing); taxes (local and State), except income and sales taxes; depreciation on furniture and fixtures; dues, subscriptions, and donations; collection expenses; etc.

Selling expenses.—Direct expenses incurred in selling the merchandise are included here. Provision was made for showing delivery expenses, as defined below, separately. Selling expenses include such items as salesmen's salaries, commissions, and bonuses; salesmen's traveling expenses; advertising; and insurance and depreciation on salesmen's automobiles.

Delivery expenses.—Delivery expenses include costs incurred by the reporting establishments in transferring the merchandise from the warehouse or other place of storage to the customer, such as outward freight, express, parcel post, trucking, and insurance on merchandise being delivered.

Warehouse expenses.—Here are included the costs of operating the warehouse or stockroom, such as salaries of warehouse employees, boxing and packing costs, etc.

Occupancy expenses.—This group includes all expenses arising from the use and maintenance of the premises and the store buildings, fixtures, and equipment. It includes maintenance labor, heating, light, power, and water. Where the premises are not owned, rent is included. Respondents owning the premises which they occupied were instructed to include such items as build-

ing repairs and supplies, insurance and taxes on building, and depreciation on building. No establishment was included in the analysis of operating expenses unless an amount appeared under this inquiry.

The proper distinction between warehouse and occupancy expenses was difficult to make in many cases. Particularly was this true where all the activities were housed in one building and where it was necessary to allocate expenses. Also, the question of yard storage was somewhat confusing, as some respondents included such costs under warehouse expenses while others considered them as "occupancy." For most kinds of business, however, the amount of overlapping represents but a minor portion of the total for either classification.

Other expenses.—Included here are those operating expenses not classified above, such as interest on bank loans, losses from bad debts, etc.

Miscellaneous terms—Stocks on hand, end of year.—The inventory value, at cost, of merchandise on hand, for sale at the end of the year or nearest inventory date. The amount includes the value of goods owned and out on consignment but *not* goods of others held on consignment. Inventory figures are given for the end of the year only in table 1, while table 6B presents data for both beginning and end of year.

Receivables.—Notes and accounts from trade customers arising from the sale of merchandise and carried on the books of the establishment, even though they may have been pledged as collateral for loans. Notes and accounts sold to finance companies or to banks are not included even though sold "with recourse." Data on receivables are presented in table 6B as of December 31, 1938, and December 31, 1939.

Ownership groups.—This term is used to refer to the number of wholesale establishments under one ownership. In table 10 all establishments are classified by ownership groups as follows:

1 establishment only.	15-24 establishments.
2 establishments.	25-49 establishments.
3-5 establishments.	50 and over.
6-9 establishments.	Not stated.
10-14 establishments.	

Disclosure of individual operations.—The Census Bureau does not publish statistics which might disclose data for individual establishments or ownership groups. To prevent disclosure it has been necessary to withhold information in many instances. In some cases an "X" is substituted for the amount withheld, while in others the data which could not be shown separately are combined with an indefinite "all other" classification. In general, figures are not given separately for fewer than three establishments or ownership groups.